

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	Vietnam
Factory Name	40008467D
IEM	Global Standards Vietnam
Date(s) in Facility	July 19-21, 2005
PC(s)	ASICS
Number of Workers	2340
Product(s)	Sport Shoes
Production Processes	Cutting - Stitching - Stock fitting - Assembly - Inspection - Packing

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-Compliance	Risk of Non-compliance	IEM Findings			Company Remediation Plan	Remediation		Documentation	[Status]		Updates	
					Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating		Notable Features implemented by Factory Management or Company	Target Completion Date		Company follow up (Non-Cite Sept. 14, 2005)	Completed; Pending; On-going	Company Follow Up (July. 4, 2006)	Documentation
1. Code Awareness															
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.	No documented code training conducted for supervisors and workers.				No documentation, Mgt, supervisor, worker interviews	Factory will arrange the Asics COC, discipline procedure and factory regulatory training for all the workers and including the new recruitment.	31-Oct-05		Document Review of Training Schedule	Completed	On-going training program continued for all worker. Factory organize program in the low season.		
Confidential Non-Compliance Reporting Channel		FLA Principle of Monitoring, Obligation 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 on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Company has not put in place confidential noncompliance reporting mechanism direct to PC.				Management interview.	PC's compliance staff has been made a tour detail during shop floor or visits trade union office.				Completed	2 more suggestion boxes have set in the toilet and protect writers's anonymity. There are now 2 suggestion boxes, one in the production line and the other in the toilet.		
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															
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Contract renewal procedures are flawed. Workers renew by signing a ledger and do not receive a new contract or amendment to contract. Some workers do not receive copy of their original employment contract .				Record review, HR Mgt, worker interview	1. Factory will give the personal contract to the workers to sign. 2. Factory will make two copies of renewal contract worker list for supervisors and workers to sign, also stamp the renewal seal on the old contract. Besides, factory will record the renewal date and wage on the worker labor book.	25-Sep-05			Completed	The factory asks HR staff to check randomly of employment records to ensure accuracy.		
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															
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	No documented discipline training for supervisors.				No documentation. Mgt. & supervisor interviews.	Factory will arrange Educational training Schedule	20-Aug-05		Document Review of Training Schedule	On-going	On-going training program continued for supervisors by monthly basis.		
Gender Sensitive Security		Security practices will be gender-appropriate and non-intrusive.	Security guards perform pat-down search on workers but process is not gender-appropriate and non-intrusive i.e., Female security w/ male workers.				Visual inspection, worker interviews	Factory has already recruited 4 more male security guards	20-Aug-05		Document Review	Completed	Factory has increased safeguard with gender-appropriate. Factory keeps 2 male sagesguards in each shift.	Visible Inspection	
Freedom of Movement		Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, during breaks, using toilets, accessing water, or to access necessary medical attention	Workers are not allowed to leave the factory gate during lunchtime if they do not have a pass/permit				Management interview, worker interviews	Factory will announce to workers that they can free to leave the gate during the lunch hours.	20-Aug-05		Document review of factory policy	Completed	Factory allows free movement of workers.	Visible Inspection	
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.															

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			Non-Compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentatio used for corroborating	Notable Features Implemented by Factory Management or Company	Company Remediation Plan	Target Completion Date	Company follow up (Non-Cite Sept. 14, 2005)		Documentation	Completed, Pending, On-going	Company Follow Up (July. 4, 2006)	Documentation
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																
Fire Safety Health and Safety Legal Compliance	Article 96 of the Labor Code. "Machinery, equipment, materials, and items which have strict requirements for occupational safety and hygiene must be registered and verified in accordance with regulations of the Government"	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	Air compressors in the factory lack inspection permit as required by local law				Record review & Management interview		Factory has been on the processing to apply the certificates.	30-Sep-05			Completed	Factory has provided appropriate certificate.	Factory have posted certificates in the proper machines.	
Safety Equipment	Circular No. 13/BYT-TT dated October 24th, 1996."3.1.1. At the workplace holding harmful and dangerous elements likely to cause occupational accidents the employer shall provide medical technical facilities such as first aid medicine, anti-dose, emergency charts, dressing, cotton-wool, gauze, scissors, stretchers, gas mask, poison prevention and ambulance car".	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	Chemical store lacks sufficient fire extinguishers. There was no fire extinguisher by the entry/exit door and many locations marked for fire extinguishers did not have them.				Visual inspection Confirmed with management	Factory will be displayed the location of fire extinguisherson on each shop floor and accordingly regular examine.	Immediately			Completed	Factory installs sufficient extinguishers around Chemical store.	Cite Inspection		
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	Canteen sink for hand washing is broken and soap is not available. This issue was noted in Gov. inspection in September and remains unfixed.				Visual inspection & record review	1. Factory has been corrected the problem. 2. Factory listed the issue on the daily checking items by the CR department.	20-Aug-05			On-going	Factory to keep observing sanitation facility daily.			
Sanitation in Dining Area	Decision 4128/2001/QĐ-BYT dated October 3, 2001	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.	Required Hygiene Training not documented for all canteen workers (50%)				Records review, Mgt interview.	Canteen workers have already trained by the Government Prevention Medical Center the "Safety and hygiene of the food" course on the 14th of August.	31-Aug-05		Document Review	Completed	Drinking water is being checked to ensure drinkable monthly.			
7. Freedom of Association and Collective Bargaining																
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																
Factory has formed Union according to local law and practice. Election was held in 2003. CBA from 2002 is current.																
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																
Wage Benefits Awareness	Article 57 of the Labor Code	Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law	Salary wage scale policy exists but has not yet been registered with the authorities as required or communicated to workers.				Record review & management interview	Factory has been processing by the Head Office, salary scale policy will be submitted to the labour authority by end of October.	31-Oct-05			On-going	Orientation is done on a regular basis. All the workers have been oriented about the wage and incentive systems orally and in writing in local language.			
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	Time recording system is not used accurately and consistently, resulting in numerous discrepancies and uncertainties in time & payroll records. As a result, neither hours nor pay can be fully verified.				Record review. Worker and payroll staff interview.	1. Factory will use the punch cards for new workers and change to swipe card after sign the contract. 2. Factory will be examined the punch card and swipe card machines regularly, and would be made sure its accuracy from time to time. 3 Factory will store Personal file in centralization, and also sign a particularly person to take charge.	20-Aug-05			On-going	Factory has recorded hours and pay in neat and organized.	Document review		

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			Non-Compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	Company Remediation Plan	Target Completion Date	Company follow up (Non-Cite Sept. 14, 2005)		Documentation	Completed, Pending, On-going	Company Follow Up (July. 4, 2006)
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															
Overtime Limitations	Article 68, 69 of the Labor Code	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	Excess overtime worked, over code and in some cases legal limits. Excess OT is common.				Record review Worker interview Management interview	Factory has a new policy to reduce overtime working every day from July.	20-Aug-05		Document review of OT announcement	Completed	Factory is working to improve the efficiency.	Document Review	
Overtime Limitations	Article 68, 69 of the Labor Code	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	Sunday work without compensating day off is common, especially in embroidery, embossing, canteen.				Record review Worker interview Management interview	Factory has prohibited Sunday work.	20-Aug-06		Document review of OT announcement	On-going		Document Review	
Reduce Mandated OT		The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations	Factory lacks a system to track total OT hours for each worker or a plan to reduce OT to comply with code and legal limits.				Record review Worker interview Management interview	Factory personal department will give the lists which state the units of the overtime working has already reached to 12 hours to the floor supervisors on the Saturday morning, in order to track the working hours more efficiency.	20-Aug-05		Document review of OT announcement	Completed		Document Review	
Legal Compliance with Protected Workers	Article 115 of the Labor Code	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	Pregnant workers from 7 months and nursing mothers work OT and do not leave work 1 hour early in violation of local law.				Record review Management interview. Worker interview	1. Factory made a rule to provide the name list of the pregnant woman to the factory director and supervisors. 2. The female workers who are seven or more months pregnant or who are tending their child under 1 year old can not work over 7 hours a day 3. Factory CR department will track those workers regularly.	20-Aug-05			On-going	Factory has no worker under age 18. Factory treat female worker according to local labor law.		
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary	Voluntary OT system makes it difficult for workers to refuse OT. Workers must sign up in advance for whole week of OT. Some workers who have not signed for OT, continue to work OT. Those who have signed may work for more hours than they volunteered.				Record reviews, worker interviews Management interview	1. Factory arrange a form of voluntary working overtime has to state that workers can inform line leader not do overtime even they sign the voluntary working overtime form during the weekdays. 2. The new voluntary overtime working form will add the above issue	20-Aug-05		Document review of OT working form	Completed	Voluntary overtime systems is in place.		
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.															
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	Proper calculation and pay for OT and Sundays cannot be verified in the absence of reliable and consistent time records.				Record review Management interview, Worker interviews	Factory stipulates that under special circumstance, working on Sunday has to be compensated one day off within the week.	20-Aug-05		Document review of OT announcement	Completed	Factory has made the working recording systems to ensure the payroll overtime payment.		
Miscellaneous															