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 14 in.) paper. To print the charts, please make sure to select “legal” size paper from Print properties.
### FLA Audit Profile

**Country:** Thailand  
**Factory Name:**  
**IDM in Facility:** September 12 & 13, 2005  
**Region:** Southeast Asia  
**Product:** Jackets and Pants  
**Number of Workers:** 181

<table>
<thead>
<tr>
<th>Country:</th>
<th>Factory Name:</th>
<th>IDM in Facility:</th>
<th>Region:</th>
<th>Product:</th>
<th>Number of Workers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td></td>
<td>September 12 &amp; 13, 2005</td>
<td>Southeast Asia</td>
<td>Jackets and Pants</td>
<td>181</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FLA Code Compliance</th>
<th>Code Posting/Information</th>
<th>FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as licensees, contractors and suppliers.</th>
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</thead>
<tbody>
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</tr>
</tbody>
</table>

**FLA Code/Compliance:**

1. **FLA Code Awareness**
   - Code Posting/Information: The Labor Protection Act, Chapter 9, Section 108: FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as licensees, contractors and suppliers. 

2. **FLA Code Awareness**
   - Code Posting/Information: The Labor Protection Act, Chapter 9, Section 108: 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.

3. **Employment Records**
   - Employment Records: Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse. No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, dismissal, termination or retraining, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or sexual or ethnic origin.

4. **Hiring Discrimination Practices**
   - Hiring Discrimination Practices: Employment selection will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, recognitions, and other forms of compensation; promotion, discipline, termination of employees; processes of retraining.

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**Remediation Plan:**

- September 12 & 13, 2005
- November 2005
- December 2005
- January 2006

---

**Company Follow Up:**

- Document review
- Management interview
- Field visit

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**Factory Response:**

- Personnel officer interview and documents review.
- Workers interview and visual inspection.
- Document review and management interview.
- Document review.

---

**IEM Findings:**

- Child Labor:
- Forced Labor:
- Harassment or Abuse:
- Forced Labor:
- Child Labor:
- Harassment or Abuse:

---

**Document Review:**

- Document review
- Management interview
- Field visit

---

**Status:**

- Remediation
- Finalized
- Completed
PHASE 2: HEALTH & SAFETY

On 25 Nov 05, the factory submitted a copy of letter from an authorized civil engineer, Mr. *** ***, which explains that the ground floor is not subsiding. Therefore, such subsidence will not affect the building's structure, and the present condition is safe, the letter says.

The environment assessment by the concerned authority was conducted on 12 Jan 06. The result determined that the factory's workplace conditions (light, noise, dust, and heat) pass the standards. Production supervisors were trained as safety officers (supervisory level) and their certificates were verified.

The Labor Protection Act of the Republic of Indonesia (No. 20 of 2002) states that safety officers must undergo training according to the plan. Only 4 supervisors have been trained and 6 supervisors have not been trained as per the legal requirement.

A PC Remediation Plan was delivered to the factory in order to address the issues found during the original IEM visit. Yet, as a result of the factory's failure to deliver a remediation plan to this factory in order to address the issues found during the original IEM visit, the factory's Human Rights Team was unable to ensure the successful completion of the remediation plan.

PHASE 3: ENVIRONMENT

On 7 Apr 06, a factory maintains records of the environment evaluation that measures dust, noise, lighting, and heating since the facility has not commissioned such evaluation.

The factory maintains records of the environmental section that measures dust, noise, lighting, and heating.

PHASE 4: PAY & BENEFITS

The FLA Code of Conduct does not address issues related to pay and benefits. However, the factory is responsible for ensuring that all workers are paid fairly and regularly.

The factory provides the filter cleaning service every quarter. The latest replacement was done in Jan 06. The factory ensures that all workers have access to filtered drinking water in the factory.

On 6 Apr 06, the factory has delivered a remediation plan to this factory in order to address the issues found during the original IEM visit. Yet, as a result of the factory's failure to deliver a remediation plan to this factory in order to address the issues found during the original IEM visit, the factory's Human Rights Team was unable to ensure the successful completion of the remediation plan.

The factory maintains records of the environment evaluation that measures dust, noise, lighting, and heating since the facility has not commissioned such evaluation.

Further inspection: Factory modifies its remediation plan to address all issues found during the original IEM visit. As a result, the factory's Human Rights Team was unable to ensure the successful completion of the remediation plan.

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**Legal Compliance**

<table>
<thead>
<tr>
<th>Act &amp; Article</th>
<th>Compliance Status</th>
<th>Source of Non-Compliance</th>
<th>Action, Corrective Action Taken</th>
<th>Timeframe</th>
<th>Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factories Pay</td>
<td>Complete</td>
<td>Payroll ledgers and leave records, attendance and worker contract records review. Workers and personnel officer interview.</td>
<td>Evidence of non-compliance implemented by factory management.</td>
<td>2011-12</td>
<td><strong>Completed</strong></td>
<td>No evidence of non-compliance was found.</td>
</tr>
</tbody>
</table>

**Incentives**

Factory management reported that they ensure daily minimum wage be paid on time. However, the “incentives” that occur from the work process for the last 2 work days are deducted from the workers’ wages.

**Payroll**

- **Piece Rate Data**
- **Payroll Registers**
- **Payrolls**
- **Payroll Records**
- **Payroll Calculations**
- **Payroll Deductions**
- **Payroll Management**
- **Payroll Administration**
- **Payroll Systems**

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 or industry wages, whichever is higher, and will provide legally mandated benefits.

Some workers stated that their wages were deducted by 15% from their money transfer to their bank accounts, and then paid in their pay slips and payroll ledgers and interview with personnel officer did not reveal evidence that the money was deducted from the workers’ wages.

**Legal Compliance**

- **Employment Contract**
- **Labor Ministry**
- **Minimum Wage Act**
- **Labor Protection Act of 1998**
- **Ministry of Labor**
- **Labor Rights**
- **Workers Rights**
- **Employment Conditions**
- **Terms of Employment**
- **Wage Calculation**
- **Wage Payment**
- **Wage Deduction**
- **Wage Systems**

All compensation shall be paid at a timely manner.

**Employment Contract**

The Labor Protection Act of 1998, Chapter 5 and Section 54:

Employers and employees will negotiate employment terms and conditions, including the rate of pay and time of payment of wages, the length of the work week and work week for each employee, and the work week for each department or work area.

Worker contracts specify payment by daily minimum wage rate. Payroll register records show that the workers were paid the minimum wage rate instead.

All new employees’ contracts specify payment by daily minimum wage rate. However, a review of payroll records and production-based figures reveals that the new workers in sewing sections A&C were compensated by piece rate.

All new employees’ contracts define daily wage systems for employment conditions, pending the Labor Ministry’s legal interpretation of whether the workers are daily-wage workers.

A call for the workers’ rights and welfare is made to ensure that the workers are paid for all hours worked. Human resource/wage staff are responsible for calculating wages for workers on a daily basis.
9. Hours of Work

Employers are responsible for legally mandated hours for all regular workers. However, the Factory_committee requires that the Factories submit a work log record of the number of hours worked each week and pay overtime at a rate determined by the law of the country of manufacture. The Factory further requires that the work logs be reviewed and approved by the management and labor protection officer.

The law requires that employees be entitled to at least one day off in every seven day period and not to work more than 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. However, the law requires only that such limits be extrapolated for all employees of the factory.

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 do not exist, at a rate of at least 50% of their regular hourly compensation rate.

The Factory submits a copy of an internal memo committing to compensating material leave benefits (half of 90 days entitlement) during maternity leave. In the past, the factory compensated only when workers returned from the leave.
<table>
<thead>
<tr>
<th>FLA Code/Compliance Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Non-Compliance</th>
<th>Risk of Non-Compliance</th>
<th>Notable Features Implemented by Factory Management or Company</th>
<th>PC Remediation Plan</th>
<th>Legal/Compliance Date</th>
<th>FLA Response</th>
<th>Company Follow Up (Full date of follow up)</th>
<th>Documentation</th>
<th>Status</th>
<th>Company Follow Up Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>OT Compensation</td>
<td>The Labor Protection Act of 1998, Chapter 5 and Section 6</td>
<td></td>
<td>The factory shall comply with applicable law for premium rates for overtime compensation</td>
<td>54</td>
<td>The factory shall comply with applicable law for premium rates for overtime compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sewing workers in sections A, B, C are compensated by piece rate. The facility has not been able to pay for their overtime by rate and a half times the normal piece rate. However, the workers are paid only the same piece rate during overtime.</td>
<td>55</td>
<td>The facility shall comply with applicable law for premium rates for overtime compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Payroll registers, piece rate sheets, interview with employees and personnel</td>
<td>56</td>
<td>Payroll registers, piece rate sheets, interview with employees and personnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(24 Nov 05) Factory submits a written memo declaring workers are daily-wage workers.</td>
<td>57</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td>The embroidery work is subcontracted to *** which locates in ***. The subcontractor is approved by PC. However, there is no evidence of such approval.</td>
<td>59</td>
<td>The embroidery work is subcontracted to *** which locates in ***. The subcontractor is approved by PC. However, there is no evidence of such approval.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Management states that the subcontractor has been approved by PC. However, there is no evidence of such approval.</td>
<td>60</td>
<td>Management states that the subcontractor has been approved by PC. However, there is no evidence of such approval.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>