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.
**Machines Not Guarded**

- Sewing machines are not properly guarded.
- Missing guards and eye protections will be installed.
- The factory will continue to install eye protections.
- The management will continue to install eye protections as needed.
- An additional part regarding harassment and abuse has been included into the company policy.

**Replacement Fire Extinguisher (Toxic Content)**

- The factory uses a Halon fire extinguisher.
- Halon is banned since 1994.
- The factory has now four persons trained in first aid.
- The last fire drill has been performed and documented in March 2001.
- An evacuation training and fire extinguisher training will be performed annually.

**No Health & Safety Committee with Worker Participation**

- There is one worker trained in first aid.
- Two additional persons are already registered for a first aid training.
- A fire drill and training have been performed and documented in July 2002.
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**Code Awareness**

- After move into the new factory building the employees held a code awareness raising event to all workers in July 03.
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**Noncompliance Reporting Channel**

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FLA Code Compliance Issue

FLA Benchmark under Legal Reference: B.1. Non-compliance with applicable laws and regulations in any case where death and serious physical injuries occur in the factories, such personnel shall be held criminally liable and any legal required permits shall be validated.  

Findings

- Proper health care has been provided.  
- Proper storage of chemicals and other hazardous substances should be done. 
- Gag Maple Virginia is not clearly marked. 
- Elevator has now a security switch and only works in the factory building. 
- An incident/accident log file must be established and reviewed monthly. 
- An updated accident log is available. 
- First aid is available in the new factory building.

Recommendation

- FLA Code Benchmark V. Health and Safety: B.1. Ensure legally required or recommended elements of safe evacuation (such as posting of evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures. 

FLA Code Violations


Remediation


FLA Code Updates/Follow-up Comments


PC Internal Audit Findings


PC Remediation Plan


Remediation Updates


PC Updates/Follow-up Comments


Access to drinking water

- FLA Code Benchmark V. Health and Safety: B.11. Proper health care has been provided. 

Findings

- Access to drinking water is available.  
- All facilities including factory buildings, toilets, and workers shall be trained in proper safety, first aid, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures. 
- All workers are instructed on regular water flow in the new factory building.

Recommendation


FLA Code Violations


Remediation


FLA Code Updates/Follow-up Comments


PC Internal Audit Findings


PC Remediation Plan


Remediation Updates


PC Updates/Follow-up Comments

### Findings

| FLA Code Compliance Issue | FLA Benchmark and/or Legal Reference | PC | Internal Audit Findings | PC Remediation Plan | PC Remediation Updates | PC Internal Audit Findings | PC Remediation Plan | PC Remediation Updates | PC Internal Audit Findings | PC Remediation Plan | PC Remediation Updates | PC Internal Audit Findings | PC Remediation Plan | PC Remediation Updates |
|---------------------------|--------------------------------------|----|------------------------|-------------------|----------------------|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|

### Chemical Storage/Secondary Containment

- Emergency doors should be provided in local language and displayed where the chemicals are stored.
- All chemical containers must be labeled and closed when not in use.
- Secondary containments for the chemical containers are available.

### Electrical Systems

- All production machinery and equipment shall be clean and safe and be in compliance with applicable laws.
- Emergency door always has to be open during working time.
- All emergency doors are opening inwards and are not always open during working time.

### Sanitation

- The spot-cleaning machine (air-suction, table) is not placed correctly.
- The alternative material was not effective enough to clean the spots.
- Management is still searching for an appropriate alternative.
- All emergency doors are opening inwards and are not always open during working time.

### Hazardous Chemical Usage

- All chemicals and hazardous substances should be properly labeled and stored.
- All active machines are covered. On some (back up) machines belt covers are still missing and will be provided ASAP.
- Containers are not clearly labeled.
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### FLA Code Section: FLA Code Benchmark VI. Freedom of Association and Collective Bargaining

**Remediation**

- **FLA Code Benchmark VI. Freedom of Association and Collective Bargaining**: Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues throughout the course of employment.

**PC Internal Audit Findings**

- **Worker committee findings**: A worker committee was not established at the factory.

**PC Remediation Plan**

- **September 2003**

<table>
<thead>
<tr>
<th>PC Updates/Follow-up Comments</th>
</tr>
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<tbody>
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<td>Action plan will be developed to establish an effective worker-management communication system.</td>
</tr>
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**PC Updates/Follow-up Comments**

- The management has installed an effective worker-management communication system. Suggestions boards are in place and while the beginning of September 03 there is a workers committee with 6 persons elected.

### FLA Code Benchmark VII. Wages and Benefits

**Remediation**

- **FLA Code Benchmark VII. Wages and Benefits**: Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher. Where training wages are legally allowed, no worker will be paid a training wage for more than three months continuously.

**PC Internal Audit Findings**

- **Training Wage**
  - During training period workers do not receive minimum wage. As stated by law a reduction of 20% of the minimum wage is allowed in the first training year.

**PC Remediation Plan**

- **From the next overtime period onwards**

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<td>A list will be developed (with signatures from each worker) which shows the receipt of overtime payment. Overtime payment has to be consistent with the correct legal overtime rate of 50% and 75%.</td>
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**PC Updates/Follow-up Comments**

- adidas will not accept that the factory pays below the minimum wage during the experience time (first 6 – 12 month). The full minimum wage has to be paid from the first day on.

### FLA Code Benchmark VII. Wages and Benefits

**Remediation**

- **FLA Code Benchmark VII. Wages and Benefits**: 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. All hourly wages, piecework bonuses, and other incentives will be calculated and recorded according to the correct legal overtime rate of 50% and 75%.

**PC Internal Audit Findings**

- **Overtime Compensation**
  - Working hours including overtime are recorded on the time cards. Overtime is paid and added to the food allowance (tax free).

**PC Remediation Plan**

- **From the next overtime period onwards**

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**PC Updates/Follow-up Comments**

- Overtime is paid according to law. Verified by observation.

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**PC Internal Audit Findings**

- **Compensation and Tracking**
  - Hours worked including overtime are recorded on the time cards. Overtime is paid and added to the food allowance (tax free).

**PC Remediation Plan**

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