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.
Readership: GED

Document Type: A

Page: 1

Access to toilets

Employers will utilize progressive disciplinary procedures FLA Code Benchmark III. Harassment or Abuse:

Note: Please also see the notes below in our response to the issues set out under “Disciplinary Procedures.”

This issue was not covered in our internal action plan, but it will be monitored on an ongoing basis. In respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse on the grounds of race, colour, religion, national origin, sex, marital status, or political affiliation. Employers will not discriminate against any employee on the basis of a prior serious illness such as cancer or HIV. Employers will ensure that such an employee would not be subject to any form of retaliation for having complained of or for having recorded an instance of harassment or abuse.

Grievance Procedures

The worker handbook sets out the appeal system applying to internal communications. The factory now also has an SOE coordinator.

Management intimidation

The SOE coordinator is an independent entity, which ensures that the workers have a voice if they are unhappy with the procedures. The SOE coordinator is a full-time person who will be at the factory at any given time and is there to provide assistance to employees who are not satisfied with their treatment. The SOE coordinator is a full-time person who will be at the factory at any given time and is there to provide assistance to employees who are not satisfied with their treatment.

If factory entrances are locked or guarded to prevent freedom of movement of workers, including movement in canteen, during breaks, using toilets, accessing water, or to access necessary medical attention.

Access to toilets FLA Code Benchmark III. Harassment or Abuse:

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.

Sexual harassment FLA Code Benchmark III. Harassment or Abuse:

As at December 2002, no restrictions on toilet use or access to drinking water.

Note: The e-mail address for the Grievance officer in the worker handbook has now been updated. The Grievance officer is independent and can be approached directly. There is an ongoing training program for supervisors and workers in various areas.

Age documentation

The worker handbook sets out the appeal system applying to internal communications. The factory now also has an SOE coordinator.

Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth. Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.

Factory is required to establish detailed disciplinary practices for workers that are legal, reasonable and proportionate for young workers according to applicable laws.

Employers will utilize consistent written disciplinary procedures to ensure that such procedures are legal, reasonable and proportionate for young workers. Management intimidation FLA Code Benchmarks III. Harassment or Abuse:

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Health and Safety

No Worker Safety

Factory has little PPE and no effective training or policies to ensure PPE is used. Cutting section workers do not currently wear veil and clear of the face.

Permits

Factory has no operating permits for its fire fighting equipment, first aid kits, etc. It has no separate water supply or pump system for its fire fighting equipment. Records of testing and maintenance to be maintained.

Sanitation

Rice steamers were extremely dirty. No systems in place to ensure food prepared in canteen is fresh / hygienic. Dry foods not correctly stored and clear of the floor.

Electrical Systems

High voltage electrical systems are not well kept and electrical hazards are not always marked. High voltage electrical systems are not well kept and electrical hazards are not always marked.

All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, etc.) shall be in place, maintained as prescribed and accessible to the employees.

Note: as this item appears as hearsay and was not verified by FLA auditor this is the only action recommended.

Sanitation of Washrooms

Sanitaries were dirty and not in correct, appropriate languages & colours. Workers not provided with necessary protective equipment (PPE), and trained in the correct use of PPE.

Corrective Action

Sanitation

All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, etc.) shall be in place, maintained as prescribed and accessible to the employees.

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9. Hours of Work
Workers will be paid for holidays and leave as required by law.

Compensation

Employers will provide all legally mandated benefits to all eligible seasonal short-term contract employees. Based on internal audit, factory employs workers on a short-term basis. Benefits must be provided according to law. 30 September 2002 Issue of social security payments to short-term/seasonal contract workers still pending. November 2002 - all workers in compliance. FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime.

Severance pay and seniority
Employers recognize that wages are not adequate for workers to maintain a reasonable living standard. Also pregnancy benefits are often denied to workers by factory/social security office even though they are legally entitled to these benefits. FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime.

6. Freedom of Association and Collective Bargaining

Forced labour
This item was not addressed in the adidas SOE action plans. However, based on the auditors' findings, we acknowledge the factory may have been operating a forced labour system. FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime.

Factory was not able to provide the audit committee with evidence that workers were not coerced into joining the factory based union. FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime.

5. Health and Safety

First Aid Kits FLA Code Benchmark V. Health and Safety:
Inadequate guarding. All drive belts, chains and moving parts to be adequately guarded in a safe manner. FLA Code Benchmark V. Health and Safety:

Forklift FLA Code Benchmark V. Health and Safety:
LPG tanks are stored in a separate room from the cooking area, however, there was no fire blanket and LPG tanks were inadequately guarded. FLA Code Benchmark V. Health and Safety:

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Inadequate guarding. All drive belts, chains and moving parts to be adequately guarded in a safe manner. FLA Code Benchmark V. Health and Safety:

Housekeeping FLA Code Benchmark G. Standards
Housekeeping was generally poor with scraps and trash left around the factory floor and heavy machinery and tools left on the factory floor. FLA Code Benchmark G. Standards

Employee relations FLA Code Benchmark E. Standards:
Unresolved CBA issue still unresolved as at December 2002. Other issues require ongoing monitoring. FLA Code Benchmark E. Standards:

Employee relations FLA Code Benchmark E. Standards:
On 25 September 2002, adidas issued a warning to management for not implementing an action plan. FLA Code Benchmark E. Standards:

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contractors of our standards and check on the working conditions before placing orders will score very poorly in this regard. In the factory and for informing local partners about the SOE and our expectations regarding labour and HSE requirements.

11. Other Issues

Written time keeping system in Factory [X] is not in compliance with code standards and the time swipe cards system in Factory [X] is not used properly/reliably to record working hours. Also monitors were not able to review original time records for the factory to verify accuracy of payroll. The factory system of overtime recording and the manner in which it works is subject to the National Wage Laws of Vietnam and if managed correctly, overtime records can be maintained accurately and should be administratively correct. Failure to do so will result in audits and corrective action.

Compensation:

Management must conduct supervisor training on the voluntary overtime policy and process by which time is recorded and compensated. Factory must develop a plan of ongoing training for supervisors on the issue of working hours. All workers must be paid in correct pay rate when they work overtime, ie 150% for regular work day, 200% for weekends, 300% for public holidays. Written time keeping system in Factory [X] is not in compliance with code standards and the time swipe cards system in Factory [X] is not used properly/reliably to record working hours. Also monitors were not able to review original time records for the factory to verify accuracy of payroll. The factory system of overtime recording and the manner in which it works is subject to the National Wage Laws of Vietnam and if managed correctly, overtime records can be maintained accurately and should be administratively correct. Failure to do so will result in audits and corrective action.

Mandatory OT

Al No subdivision of the factory wage rates specified in the contracts for overtime. In terms of our policy, it is mandatory that all factories must have a written policy specifying minimum rates which will be paid for the hours worked in excess of the 8-hour workday and the maximum number of hours which can be worked in a week. This policy must be reviewed and updated on an annual basis and with the consent of the employees concerned. The policy must be included in the factory's collective bargaining agreement and made available to all employees. The policy must also be communicated to all employees in a clear and accessible manner, and copies of the policy must be posted in a prominent location within the factory.

Excessive OT

Under Vietnamese Labour law, employees are not required to work overtime unless it is voluntary or necessary for the operation of the factory. While Mgt maintains that it uses only minor subcontracting, Monitors find from interviews and documentary evidence that sub-contracting / Joint Ventures / Local Licensees are not being monitored properly. The factory has a system for recording and monitoring overtime, but it is not being used properly or reliably. Monitors were not able to verify the accuracy of time records and overtime compensation for employees. The factory in no way ensures that overtime is voluntary and no record of overtime is being kept. The factory must maintain all manual time records and enter them into the system accurately. The factory has implemented a system for recording overtime, but it is not being used properly or reliably. Monitors were not able to verify the accuracy of time records and overtime compensation for employees. The factory in no way ensures that overtime is voluntary and no record of overtime is being kept. The factory must maintain all manual time records and enter them into the system accurately.

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Special cases, eg workers in cutting & sample departments of Factory 2 have worked far in excess of the monthly 160 hour limit, from 180 to 250 hours.

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Meeting with Monitors 25 September 2002 As at December 2002, factory had implemented proper rates for all OT work. 28) Except in extraordinary business circumstances, employees will (i) not work overtime (OT) if their weekly working hours exceed the legal maximum of 48 hours, and they shall be compensated for such overtime at 1.5 times their regular pay rate. 20 September 2002 Factory has fully functioning electronic time recording system in place - but it needs to be ‘fine-tuned’ and this item will require ongoing monitoring to ensure that the system is being used properly and transparently. The factory has implemented a system for recording overtime, but it is not being used properly or reliably. Monitors were not able to verify the accuracy of time records and overtime compensation for employees. The factory in no way ensures that overtime is voluntary and no record of overtime is being kept. The factory must maintain all manual time records and enter them into the system accurately. While Mgt maintains that it uses only minor subcontracting, Monitors find from interviews and documentary evidence that sub-contracting / Joint Ventures / Local Licensees are not being monitored properly. The factory has a system for recording and monitoring overtime, but it is not being used properly or reliably. Monitors were not able to verify the accuracy of time records and overtime compensation for employees. The factory in no way ensures that overtime is voluntary and no record of overtime is being kept. The factory must maintain all manual time records and enter them into the system accurately. The factory has implemented a system for recording overtime, but it is not being used properly or reliably. Monitors were not able to verify the accuracy of time records and overtime compensation for employees. The factory in no way ensures that overtime is voluntary and no record of overtime is being kept. The factory must maintain all manual time records and enter them into the system accurately.