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.
The law also states that the employment of males below 18 ending not earlier than 6:00 a.m. (Turkey Labor Law, No. 1475, Article 65, Item I, September 1971) and “Night” is the period beginning not later than 8:00 p.m. and working not earlier than 12:00 a.m. (Turkey Labor Law, No. 1475, Article 69, September 1971).

The auditors reported that there are three juvenile workers in a prominent place (in the local languages spoken by employees and managers) and undertook other efforts to educate employees about the standards on a regular basis. It was reported in worker interviews that workers have not been given permission to leave the factory until work is completed. Responsibility for not allowing workers to leave the factory has not been given to the factory until production has been met (see Working hours).

In response to a reduction in the number of ad hoc committees and suggestion boxes, the factory is asked to revise the company policy and distribute to all workers. An explanation of some codes and adidas SoE standards is included in the labor law in the canteen. The new company policy also includes communication systems such as worker suggestion posting systems. It is further asked to post the names and photos of all workers in the canteen. The new suggestion posting system is instituted.

The auditor reported that although the factory has written personnel policies, they do not include sections that cover wages, regular hours, discipline and termination, absence and leave, work breaks, and health and safety. A new company policy was prepared by the management including basic explanations of adidas SoE standards together with the essential laws from the Turkish Labor Law and the Factory Law. This document will be distributed to all workers, in their local languages, and will be posted in the notice boards and distributed to all workers. An inspection training session once a year is given to new employers and workers, covering general information related to the company. This shall include, as a minimum, the concept of human rights, the new labor law, basic child labor protections, and workplace policies and practices, including adversarial and collective bargaining, harassment and abuse, and health and safety.

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Regulations for Juvenile Workers

- Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warnings, written warnings, suspension, termination. Any exceptions to this rule, e.g., suspensions, termination, are required to be in writing and clearly communicated to workers. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warnings, written warnings, suspension, termination. Any exceptions to this rule, e.g., suspensions, termination, are required to be in writing and clearly communicated to workers.

- FLA Code Benchmark III. Harassment or Abuse: Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warnings, written warnings, suspension, termination. Any exceptions to this rule, e.g., suspensions, termination, are required to be in writing and clearly communicated to workers.

- FLA Benchmark and/or Legal Reference: There are no restrictions to use words. The new system is functioning properly. Verified by worker interview, 21.08.02. Photo of the system is available in appendix channel fees.

- Findings: Before giving a written warning, the factory has a system in place to give verbal warnings and written inappropriate behaviors. All these documents are included in the personnel files. Verified by documentation check, 28.02.03.

- Remediation Updates: The workers below 18 do not receive any training on factory policies and workplace rules. Any exceptions to this rule, e.g., training, are required to be in writing and clearly communicated to workers. The workers below 18 do not receive any training on factory policies and workplace rules. Any exceptions to this rule, e.g., training, are required to be in writing and clearly communicated to workers.

- Reminders & Remediations: The workers below 18 do not receive any training on factory policies and workplace rules. Any exceptions to this rule, e.g., training, are required to be in writing and clearly communicated to workers. The workers below 18 do not receive any training on factory policies and workplace rules. Any exceptions to this rule, e.g., training, are required to be in writing and clearly communicated to workers.

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- August 2003

- Revisions for Juvenile Workers

- FLA Code Benchmark II. Child Labor: Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warnings, written warnings, suspension, termination. Any exceptions to this rule, e.g., suspensions, termination, are required to be in writing and clearly communicated to workers. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warnings, written warnings, suspension, termination. Any exceptions to this rule, e.g., suspensions, termination, are required to be in writing and clearly communicated to workers.

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Exits

Unmarked Emergency

Emergency Exit Signs

Needed/Canteen Exit

Exits Repairs

Plans

Financial Punishment

FLA Code/ Compliance

aligned and evacuation procedures.

complied with and workers shall be trained in proper safety, first

employee education, evacuation procedures, etc.) shall be

legally required or recommended elements of safe evacuation

kits, etc.) shall be in place, maintained as prescribed and

medical equipment (such as fire fighting equipment, first aid

aid, and evacuation procedures.

The auditors reported that there were no emergency exit

routes marked on the factory floors.

The auditors reported that one of the three exits on the first

floor was not illuminated.

The auditors reported that although there are two exits on

the second floor, one of the exits is physically difficult to

access.

The auditors reported that although there is one exit at the

second floor of the moment.

A second exit will be constructed.

The auditors reported that one of the Emergency exit signs

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The auditors reported that none of the factory's exits were

marked with two arrows to indicate them to be kept clear.

Storage shelves - The aisles of the factory are marked with two

arrows outwardly and the other one is a sliding variety.

The auditors reported that there were no emergency exit

signs installed on the factory floors.

Lining also identified during internal

audit.

Emergency exit arrows will be marked on the floor.

All emergency lights have been inspected. Necessary

replacements have been done. New emergency lights

have been installed above the exit door of the content

and above the stairs.

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replacements have been done. New emergency lights

have been installed above the exit door of the content

and above the stairs.

All kinds of financial punishments will be stopped

immediately. Workers will not receive financial losses or be

dismissed from the factory.

The factory does not have a written Health & Safety policy.

The management will prepare a written Health & Safety

policy. Management will present as emergency plan

for Health & Safety incidents.

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Emergency Lighting
All safety and medical equipment (such as the lighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

Emergency Alarm System
All safety and medical equipment (such as the lighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

First Aid Kits
All safety and medical equipment (such as the lighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

Sanitation/Toilets
All facilities, including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.

Access to Potable Water
All food preparation shall be properly stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water shall be available in each building.

Machine Guards
All production equipment and machinery shall be maintained, properly guarded, and operated in a safe manner.

Workshop Training
All production equipment and machinery shall be maintained, properly guarded, and operated in a safe manner.

High Voltage Areas
All production including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.

Chemical Handling Training
All chemicals including production, storage, and disposal shall be performed in accordance with applicable laws. Workers should receive training, and be thoroughly familiar with these responsibilities, in the safe use of chemicals and other hazardous substances.

MSDS Posters
All documents including material safety data sheets must be in place and available in the workplace in each language spoken by majority of the workers if different from the main language.
### Wages & Benefits

Workers' Representative

Workers will have the right to establish and 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 through the course of employment.

### Freedom of Association and Collective Bargaining

Workers will have the right to establish and join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time a worker seeks employment, and continues through the course of employment.

### Health and Safety

#### FLA Code Benchmark V. Health and Safety

- All facilities (e.g., offices, dormitories, warehouses, etc.) shall be kept clean and safe and be in compliance with applicable laws.
- Workers are provided with necessary PPE.

#### FLA Code Benchmark VI. Freedom of Association and Collective Bargaining

Workers will have the right to establish and 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 through the course of employment.

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<tbody>
<tr>
<td>Hours of Work</td>
<td>Payments</td>
<td>Currency of Wage</td>
<td>Posting of Labor Laws</td>
<td>FLA Code/Compliance</td>
<td>Findings</td>
</tr>
<tr>
<td>The auditors reported that there were no local labor laws related in the factory.</td>
<td>According to Turkish labor law, it is not necessary to post labor laws. However, a Company Policy will be prepared by the management including basic explanations of adidas SoE and FLA Code. The Government is not responsible for the coverage of such issue as the adidas SoE, factory rules and culture, wages and benefits, disciplinary practices, termination/policy, working procedure, freedom of association and collective bargaining, fair treatment and procedures. A copy of the Labor Law will be presented in the work areas and workers will be able to read it.</td>
<td>New employment contracts include wages in local currency. FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation. Payment will be made in local currency. It will be mentioned in the newly prepared collective agreement. Current currency is in accordance with the local law.</td>
<td>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: All salaries have been anticipated or alleviated by other reasonable efforts. The monthly wages will be paid to the workers in Turkish Lira. The auditors reported that in Turkey, the number of workers who work overtime nearly as many as 19 days per month. The auditors reported that, according to the sample time records (for February and March 2002) provided by the factory’s nursery school benefit. The auditors reported that the factory’s computer program automatically calculates overtime hours and deducts it from the worker’s wages. The averaging department will either improve the existing system to be more accurate or build a new accurate system, to strictly distinguish overtime and dinner times taken according to different time limits.</td>
<td>28.02.03. Additionally, a new system called Netsis has been used starting from March 03.</td>
<td></td>
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<td>The auditors reported that the factory’s nursery school benefit is provided to all workers, therefore all workers have access to the nursery school facilities with more than 150 female workers must provide a nursery school for child care. The renewed agreement with the nursery school will be posted and distributed to all the workers.</td>
<td>The management has been asked to prepare a new collective agreement. The management will review the nursery, social and health benefits to which all workers are entitled in that company. This should include information about the company. This should include information about the company. According to Turkish Labor Law, it is not necessary to provide training to new employees and workers, covering general information about the company and policies, wages and benefits, disciplinary practices, termination/policy, working procedure, freedom of association and collective bargaining, fair treatment and procedures. A copy of the Labor Law will be presented in the work areas and workers will be able to read it.</td>
<td>The management is required to update the Employee Handbook and all policies, wages and benefits, disciplinary practices, termination/policy, work and compensation pay in installments.</td>
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<td>Disclosure of Wage Statements</td>
<td>The board of directors, management, and the human resource director maintain workers’ employment contracts, workers are entitled to three days’ notice prior to termination of employment. However, workers are being paid in Turkish Lira. The auditors noted that the overtime is critical, as exchange rates can increase and decrease rapidly.</td>
<td>Wage will not be paid in foreign currency equivalent to the local exchange rate. Wage increase and decrease radically.</td>
<td>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: All salaries have been anticipated or alleviated by other reasonable efforts. The monthly wages will be paid to the workers in Turkish Lira. The auditors reported that in Turkey, the number of workers who work overtime nearly as many as 19 days per month. The auditors reported that, according to the sample time records (for February and March 2002) provided by the factory’s nursery school benefit. The auditors reported that the factory’s computer program automatically calculates overtime hours and deducts it from the worker’s wages. The averaging department will either improve the existing system to be more accurate or build a new accurate system, to strictly distinguish overtime and dinner times taken according to different time limits.</td>
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<td>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: All salaries have been anticipated or alleviated by other reasonable efforts. The monthly wages will be paid to the workers in Turkish Lira. The auditors reported that in Turkey, the number of workers who work overtime nearly as many as 19 days per month. The auditors reported that, according to the sample time records (for February and March 2002) provided by the factory’s nursery school benefit. The auditors reported that the factory’s computer program automatically calculates overtime hours and deducts it from the worker’s wages. The averaging department will either improve the existing system to be more accurate or build a new accurate system, to strictly distinguish overtime and dinner times taken according to different time limits.</td>
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11. Miscellaneous

11.1 Code Benchmark VI. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) The employer will guarantee a workweek in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. Depending on the factory's regular work week in such country plus 12 hours overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.

11.2 Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Regardless of any production quotas, incentives will not be reduced or unpaid if the result will be wages below the minimum wage. 2) Overtime hours worked in excess of code standard will be voluntary. According to Turkish labor law, the employer's consent must be obtained for overtime work (Turkey Labor Law, No. 1475, Article 35, Section 1, September 1971).

12. Overtime Compensation

12.1 Code Benchmark VI. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) The employer will comply with all applicable laws for overtime, including the payment of overtime compensation. Employers will provide workers a pay statement each payroll reporting, including pay stubs will be provided. 2) Work, and Overtime Compensation:

12.2 Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) The employer will be responsible for ensuring that the calculation of hours worked includes all time that the employer allows or requires the worker to work. 2) The factory shall comply with all applicable laws for overtime compensation.

13. Pay Slip

13.1 Code Benchmark VI. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Time worked by all employees, regardless of compensation system, will be recorded in the factory's payroll, including manual or electronic recording systems such as electronic swipe cards. 2) All compensation records will be maintained separately and shall be acknowledged by the employee as accurate. 3) Employers shall use hours or multiple payroll periods in order to hide or conceal the fact of excessive, illegal amounts of overtime compensation, or to falsely demonstrate hourly wages, or for any other fraudulent reason.

14. Post Audit Keeping/Off Categories

14.1 Code Benchmark VI. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) The company will provide workers a pay statement each payroll period, which will show earned wages, regular and overtime pay, bonuses and all deductions. 2) Workers shall be informed about overtime compensation rates, by site and printed means.

15. Miscellaneous

15.1 Code Benchmark VI. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) The employer will provide workers a pay statement each payroll period, which will show earned wages, regular and overtime pay, bonuses and all deductions.

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15.3 Management

15.3.1 Verification of the audit findings:

15.3.2 Findings

The auditors reported that, according to worker interviews, shortly before the time of the audit, workers had to work overtime without payment. Based upon the auditors' analysis of the factory's payroll documents, workers' overtime hours are not being properly recorded. The auditors reported that, according to payrolls and factory records, workers began working sometimes as many as 24 hours continuously. Often the payroll documents of the above mentioned workers were reviewed by the auditors. It was found that there were no overtime hours recorded for that worker. Additionally, the auditors reported that unlawful performance evaluation was taking place, which included the factory's production compensation. The auditors reported that unlawful performance evaluation was being disguised as a bonus in order to increase the factory's profits. Illegal amounts of overtime worked in the factory.

15.3.3 Remediation

The management explained that the function could not be available with the change of the production system. The factory is not planning to change the factory to change the compensation rates. Although "Offer" still remain as one of the categories, after worker interviews, workers expressed the understanding that it will be treated as one of the categories. Management will make sure that overtime will be voluntary, and accurate overtime calculations, in order to ensure that all workers do understand the pay slips. (The factory has been requested to send a sample pay slip to the notice boards showing basic explanations of net income, overtime calculations, etc. The name of the factory is not available on this sample to answer any questions coming from the workers.

15.3.4 Verification

Verified by documentation check, 21.08.02.
Verified on 30.07.03.