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.
1. Code Awareness

Worker/management awareness of Code

- FLA Principles of Monitoring:
  - Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of guidelines in a prominent place in the workplace; and
  - Undertake other efforts to educate employees about the standards on a regular basis.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code.

- Worker and management interviews

Agreed on findings. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline for training of employees on the FLA Code agreed with Nike - July 2003
- adidas SEA Team will continue to provide training directly to factory management on various elements of compliance, and stress the need for comprehensive HR systems which will deliver relevant training to factory workers and other employees.

2. Forced Labour

- FLA Benchmark: 1. Employers will make extensive efforts to ensure voluntary overtime work prior to mandating involuntary overtime. 2. Employers maintain sufficient hiring and firing policies to ensure that they can demonstrate and verify compliance with the code provision and 3. Employment terms should be voluntarily agreed by workers.

- FLA Principles of Monitoring:
  - There was no documentary evidence of voluntary overtime, but workers interviewed stated that overtime was voluntary. The factory has only kept the voluntary overtime policy on file. Compliance with the voluntary overtime policy is monitored by the Labor Protection Act B.E 2541 Chapter 9, section 115. It was found that some workers have no employment contracts in the personnel files.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline for (1) completing cross-check of, and updating of all contracts; and (2) verifying voluntary overtime policy and implementation, agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

3. Child Labor

- FLA Benchmark: 1. There was no documentary evidence of voluntary overtime, but workers interviewed stated that overtime was voluntary. The factory has only kept the voluntary overtime policy on file. Compliance with the voluntary overtime policy is monitored by the Labor Protection Act B.E 2541 Chapter 9, section 115. It was found that some workers have no employment contracts in the personnel files.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline for (1) completing cross-check of, and updating of all contracts; and (2) verifying voluntary overtime policy and implementation, agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

4. Harassment or Abuse

- FLA Benchmark: 1. Employers will prohibit screaming, threatening, or demeaning verbal language. 2. Security practices will be gender-appropriate and non-intrusive.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

5. Nondiscrimination

- FLA Benchmark: 1. There was no documentary evidence of voluntary overtime, but workers interviewed stated that overtime was voluntary. The factory has only kept the voluntary overtime policy on file. Compliance with the voluntary overtime policy is monitored by the Labor Protection Act B.E 2541 Chapter 9, section 115. It was found that some workers have no employment contracts in the personnel files.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

6. Remediation

- FLA Benchmark: 1. There was no documentary evidence of voluntary overtime, but workers interviewed stated that overtime was voluntary. The factory has only kept the voluntary overtime policy on file. Compliance with the voluntary overtime policy is monitored by the Labor Protection Act B.E 2541 Chapter 9, section 115. It was found that some workers have no employment contracts in the personnel files.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

7. Other

- FLA Benchmark: 1. There was no documentary evidence of voluntary overtime, but workers interviewed stated that overtime was voluntary. The factory has only kept the voluntary overtime policy on file. Compliance with the voluntary overtime policy is monitored by the Labor Protection Act B.E 2541 Chapter 9, section 115. It was found that some workers have no employment contracts in the personnel files.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

8. Other

- FLA Benchmark: 1. There was no documentary evidence of voluntary overtime, but workers interviewed stated that overtime was voluntary. The factory has only kept the voluntary overtime policy on file. Compliance with the voluntary overtime policy is monitored by the Labor Protection Act B.E 2541 Chapter 9, section 115. It was found that some workers have no employment contracts in the personnel files.

- Management presented a knowledge of the code. However, some workers had almost no awareness of the elements of the code. adidas SEA staff have been conducting training sessions throughout Asia since November 2001, which aim to familiarise factory management with the SOE, local legal provisions and expectations regarding compliance and cooperation. Factories are required to provide printed copies of the code in local languages. Factory managers are trained to explain the FLA process, the fact that their factories may be validated unannounced, and that the FLA OSM would require full cooperation. We have also worked with our internal production and sourcing staff to stress the importance of our participation in the FLA, and the fact that we must be prepared to answer questions by employees about the standards at the factories by adidasa production staff.

- Implementation

- Deadline agreed with Nike - July 2003
- Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.
**Pregnancy testing**

**FLA Compliance Benchmark:** Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.

Some workers reported that pregnancy tests were conducted. The company has issued an announcement about prohibited jobs for pregnant workers. During the application process some workers were asked questions concerning their contraception practices.

**Corrective action proposed:**
- Written job posting and advertisement

**Other - Age discrimination**

**FLA Compliance Benchmark:** Employment decisions will be subject to the provision including hiring, job assignment, wages, dismissals, allowances, and other terms of compensation, promotion, discipline, assignment of work, remuneration of employment, and retirement.

It was found that job advertisements request specific sex and age of applicants (females, 20-35 years old) in the position of sewing. And there is no rules or evaluation criteria for promotion of the workers and staff. The promotions depends on the supervisor’s judgement and evaluation.

**Corrective action proposed:**
- Written job posting and advertisement

**Health and Safety**

**Fire safety and evacuation**


**FLA Benchmark:** All applicable legally required or recommended elements for safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.

The stairwell is obstructed by the bonded fabric and cloth.

**Corrective action proposed:**
- The stairwell is obstructed by the bonded fabric and cloth.

**Fire protection system**

**Thai OSH law:** Notifications of Ministry of Interior, RE: Safety at Work Related to Fire Prevention and Protection of Workplace for Employee’s Safety

**FLA Code:** All safety and medical equipment (such as fire fighting equipment, first aid, and evacuation equipment) shall be in place, maintained as prescribed and accessible to the employees.

The factory did not inspect CO2 fire extinguisher in the factory. Several fire extinguishers are placed on the floor. No safety signs posted to indicate the location where the fire extinguishers are installed. No fire alarm on floor 4 and 5 of the office building (factory 1).

**Corrective action proposed:**
- The factory maintains a reserve of water for fire extinguishing, which is not often found in Thai apparel factories.
- Agree with findings. Additionally:
  - Accessibility - Access to several fire alarms blocked. Not all extinguishers clearly marked and accessible.
  - All location of fire extinguishers must be clearly marked (using proper signs). Remove the obstructions from all fire alarm points. Extinguishers must be inspected on regular basis and in accordance with local regulations.

**Other**

**Employment Safety - FLA Code:** All applicable legally required or recommended elements for safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.

The factory did not inspect CO2 fire extinguisher in the factory. Several fire extinguishers are placed on the floor. No safety signs posted to indicate the location where the fire extinguishers are installed. For fire alarm on floor 4 and 5 of the office building (factory 1).

**Corrective action proposed:**
- The factory maintains a reserve of water for fire extinguishing, which is not often found in Thai apparel factories.
- Agree with findings. Additionally:
  - Accessibility - Access to several fire alarm points blocked. Not all extinguishers clearly marked and accessible.
  - All location of fire extinguishers must be clearly marked (using proper signs). Remove the obstructions from all fire alarm points. Extinguishers must be inspected on regular basis and in accordance with local regulations.
Physical inspection

- Basic remediation items completed. adidas from factory.
- SEA staff to provide further instructions regarding hot work permit system.

30 September 2003 Factory has been inspected by electrician. Hot work removed to safer area.
Still requires follow-up by adidas SEA staff.

- Warning signs posted. Adequate PPE still not provided to staff at washing machines, such as boots and ear-plugs. adidas SEA staff to follow-up on this item.
- Deadlines agreed with Nike - July 2003; subsequent agreement with adidas - 30 September 2003
- Nike to provide all necessary PPE.

- Display prominently the load capacity on all elevators. - Provide adequate PPE for other jobs specified.

Medical facilities and first aid

The factory did not provide proper annual medical check for the employees who deal with hazardous chemicals.

- Visual inspection Agree with findings. Additionally:
- Machine guarding - The moving parts (belt and pulley) of the cloth whirling machine, a machine used to remove excess water from the cloth is not appropriately guarded.

- Visual inspection Agree with findings. Additionally:
- Interlocking devices must be installed on all elevators in Building 2 of the facility.

FLA Benchmark:
- All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.

- Visual inspection Agree with findings. Additionally:
- Machine guarding - The electrical wiring is not suitably insulated and protected on all trailing leads and extension boxes; not adequately suspended (i.e. lying down on the floor) not maintained in sound and proper serviceable manner.

Tyre and rubber waste are stored in front of the main electrical switchboard box which is a potential fire hazard.

Visual inspection

- Machine guarding - Cables - Not suitably insulated and protected on all trailing leads and extension boxes; not kept laid, some in poor condition.
- Machine guarding - Warning signs restricting access to high voltage areas are not visibly displayed in the locations.

- Visual inspection Agree with findings. Additionally:
- Machine guarding - Cables - Not suitably insulated and protected on all trailing leads and extension boxes; not kept laid, some in poor condition.
- Interlocking devices must be installed on all elevators in Building 2 of the facility.

- Visual inspection Agree with findings. Additionally:
- Warning signs restricting access to high voltage areas are not visibly displayed in the locations.

- Visual inspection Agree with findings. Additionally:
- Machine guarding - Interlocking devices must be installed on all elevators in Building 2 of the facility.

- Visual inspection Agree with findings. Additionally:
- Machine guarding - Interlocking devices must be installed on all elevators in Building 2 of the facility.
### Hazardous Material Management

#### Thai Law:
Notifications of Ministry of Interior, Notification of Ministry of Interior, Re: Safety at Work in Work related to hazardous Chemicals

#### FLA Benchmarks:
- All chemicals and hazardous substances should be properly labelled and stored in accordance with applicable law. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.

### FLA Field Audit

- **1. Visual Inspection**
  - The factory did not provide training on chemical safety to the workers who deal with harmful chemicals.
  - Record Review

- **2. Sanitation**
  - Toilets - Unused toilets on the 3rd floor of building 2 are being used as a storage space. Soap/liquid soap is not available in the toilets. Toilets in the factory are not kept clean, while air & hot-air hand dryers are not available in the toilets. Drinking Water - At most of the drinking stations found common usage. Extreme risk of contamination, infectious diseases. Waste Management - Arrangements for removing rubbish from the workplace are not adequate.

- **3. Others**
  - Record Review
  - Record Review

### Freedom of Association and Collective Bargaining

<table>
<thead>
<tr>
<th>Area</th>
<th>Record Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>E41</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Others</th>
<th>Record Review</th>
<th>Physical inspection and feedback from factory.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Housekeeping</td>
<td>Factory areas are not maintained in a clean and tidy state; many rooms are stuffed with dusty cardboard boxes and other items which should be sorted and/or disposed of; indicates poor storage and housekeeping conditions.</td>
<td>Implement housekeeping program up to date to maintain the factory condition in a clean and tidy state at all times. Workers must be properly trained to keep all the passage ways clear from obstruction and daily inspection must be done.</td>
</tr>
<tr>
<td>30 September 2003</td>
<td>Done</td>
<td>Physical inspection and feedback from factory.</td>
</tr>
</tbody>
</table>

- **1. Sanitation**
  - Record Review

- **2. Freedom of Association and Collective Bargaining**
  - Record Review

### Notes

- **Unfair Dismissal**
  - None
  - None
  - Please see comments above regarding failure to follow-up on workers who leave the factory without notice, and lack of consistent documentation on whether workers may have been unfairly dismissed, but as there are no clear records, this issue remains unresolved.

### FLA Field Audit

- **1. Visual Inspection**
  - The factory did not provide training on chemical safety to the workers who deal with harmful chemicals.

- **2. Sanitation**
  - Toilets - Unused toilets on the 3rd floor of building 2 are being used as a storage space. Soap/liquid soap is not available in the toilets. Toilets in the factory are not kept clean, while air & hot-air hand dryers are not available in the toilets. Drinking Water - At most of the drinking stations found common usage. Extreme risk of contamination, infectious diseases. Waste Management - Arrangements for removing rubbish from the workplace are not adequate.

- **3. Others**
  - Record Review

### FLA Field Audit

- **1. Visual Inspection**
  - The factory did not provide training on chemical safety to the workers who deal with harmful chemicals.

- **2. Sanitation**
  - Toilets - Unused toilets on the 3rd floor of building 2 are being used as a storage space. Soap/liquid soap is not available in the toilets. Toilets in the factory are not kept clean, while air & hot-air hand dryers are not available in the toilets. Drinking Water - At most of the drinking stations found common usage. Extreme risk of contamination, infectious diseases. Waste Management - Arrangements for removing rubbish from the workplace are not adequate.

- **3. Others**
  - Record Review
In business establishments where there are fifty or more employees, the directors of welfare committees in such establishments shall be elected in accordance with the rules and methods prescribed by the Director-General. Where an employees’ committee has not been elected, the committee was set up by the factory, which is against the Labor Protection Act (TPA). B.E. 2541. The minutes of meetings between the welfare committee and the management were not posted in a public place. They were kept in a file which is against the TPLA, B.E. 2541 Chapter 7, section 99.

It was found that the workers are not aware of the welfare committee and there was no election of the welfare committee. The committee was set up by the factory management. The committee was not posted in a public place. They were kept in a file which is against the TLPA. B.E 2541 Chapter 7, section 99.

Worker interview and no supporting documentation. Agree with findings. All regular and overtime rates for piece rate workers must be calculated based on the per hour premium. In order to ensure proper wage payment to all categories of workers.

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

For the purpose of payment of wages under Sections 56, 57, 58, 59, 70 and 71, the employer receives wages according to the payroll system, and it is the employee’s responsibility to ensure that the wage is paid according to the agreed rates. Under this system, workers receive wages according to the payroll system. adidas compliance benchmarks: FLA Compliance Benchmarks:

1. Workers will be paid for holidays and leave as required by law.

2. Regardless of any production quotas, overtime will not be reduced or unpaid if the result will be a wage below the minimum wage.

Factory management has agreed to follow the daily/hourly rates instead of applying lower piece rate.

Factory management has agreed to follow the daily/hourly rates instead of applying lower piece rate.
Benefits

Workers unclear of wages and benefits.

**FLA Benchmark:**
- Employer 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.

Some workers do not understand wages and benefits.

**Workers' interviews Agree with findings.**
- Employees to receive basic training in wage calculations (for regular and overtime hours worked) and factory provided benefits.

**Deadline agreed with Nike - August 2003**

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

Overtime

A deduction from the worker’s payroll with no clear information / policies regarding what type of deductions are being made.

- No proper system in place to record overtime hours worked.

**FLA Benchmark:**
- Workers are entitled to be informed about any deductions made by the employer.

Workers interviewed. No policy regarding overtime.

**Worker interviews Agree with findings.**
- No proper system in place to record overtime hours worked.

Workers interviewed. No policy regarding overtime.

**Worker interviews Agree with findings.**
- No proper system in place to record overtime hours worked.

Workers interviewed. No policy regarding overtime.

**Worker interviews Agree with findings.**
- No proper system in place to record overtime hours worked.

**Deadline agreed with Nike - August 2003**

Factory management has not provided sufficient feedback on these issues. adidas SEA staff to follow-up during future visits.

Hours of Work

- No record is kept to demonstrate voluntary overtime.

**FLA Benchmark:**
- The employer shall let the employee have at least one day per week as a weekly holiday and the interval between each weekly holiday shall not be longer than six days. The employer and employee may agree in advance to fix any day as a weekly holiday.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

**Deadline agreed with Nike - July 2003**

Management stated that supervisors may keep attention to recording all overtime working dates.

During recent discussions / correspondence, adidas has outlined repeatedly the SOE requirements. SEA staff need to verify whether workers are still required to work on Sundays during next visit to factory - worker interviews.

Meeting at adidas Bangkok sourcing office between senior adidas management and factory management.

Poor record-keeping

- No record is kept to demonstrate voluntary overtime.

**FLA Benchmark:**
- The employee shall be entitled to take sick leave for such days as are necessary to enable him to recover from an illness. Sick leave is taken for three or more consecutive days.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

**Deadline agreed with Nike - July 2003**

Management stated that factory requires workers to present a medical certificate after 3 days of sick leave. If the workers are unable to present the medical certificate, they will not be paid for the sick leave.

Meeting at adidas Bangkok sourcing office between senior adidas management and factory management.

Overtime

- No record is kept to demonstrate voluntary overtime.

**FLA Benchmark:**
- The employee shall be entitled to take sick leave for such days as are necessary to enable him to recover from an illness. Sick leave is taken for three or more consecutive days. If the employee require that the employee produce a medical certificate from a first class modern physician or from a government clinic. If the employee cannot produce a medical certificate from a first class modern physician or from a government clinic, the employee shall give an explanation to the employer.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

**Deadline agreed with Nike - July 2003**

Management stated that factory requires workers to present a medical certificate after 3 days of sick leave.

Meeting at adidas Bangkok sourcing office between senior adidas management and factory management.

10. Overtime Compensation

LPA B.E. 2541; Chapter 2, Section 32:
- The employee shall be entitled to take sick leave for such days as are necessary to enable him to recover from an illness. Sick leave is taken for three or more consecutive days.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

Workers interviewed. No record is kept to demonstrate voluntary overtime.

**Worker interviews Agree with findings.**
- No record is kept to demonstrate voluntary overtime.

**Deadline agreed with Nike - July 2003**

Management stated that factory requires workers to present a medical certificate after 3 days of sick leave.

Meeting at adidas Bangkok sourcing office between senior adidas management and factory management.

11. Overtime Compensation

- Factory is required to implement a reasonable policy regarding sick leave and circumstances under which workers must present a medical certificate.
In case the employer requires that the employee work overtime on a working day, the employer shall pay overtime pay at the rate of not less than one and a half times the rate of hourly wage of normal working hours for the hours of overtime, or at least one and a half times the rate for each work unit performed on a working day for employees who receive wages calculated on a work unit basis. FLA Benchmark: The payment for overtime work performed shall result in no less payment than the premium pay required by law.

### Factory

**Incorrect wage rate for OT**

<table>
<thead>
<tr>
<th>LPA B.E. 2541, Chapter 5, section 61:</th>
<th>When an employer requires the employee to work overtime on a working day, the employer shall pay overtime pay at the rate of not less than one and a half times the rate of hourly wage of normal working hours for the hours of overtime, or at least one and a half times the rate for each work unit performed on a working day for employees who receive wages calculated on a work unit performed basis. FLA Benchmark: The payment for overtime work performed shall result in no less payment than the premium pay required by law.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The factory has calculated incorrect rate for piece rate worker at 10.56 Baht per hour, not on the work units performed.</td>
<td>The factory must pay overtime rate on the rate of 150% of regular rate if the worker comes to work on Sunday. The overtime rates must be calculated based on the per hour premium.</td>
</tr>
<tr>
<td></td>
<td>Factory management has not provided sufficient feedback on these issues. Adia SEA staff to follow-up during future visits.</td>
</tr>
</tbody>
</table>

### Work in excess of the 60 hour weekly limit

- **Working hours**
  - Factory required to conduct ongoing supervisor training on the voluntary overtime policy and process by 2003.
  - Factory must conduct ongoing supervisor training on the voluntary overtime policy and process by 2003.
- **Overtime rates**
  - Factory must pay overtime at the rate of 1.5 times the regular rate.

### Miscellaneous subcontracting

- **Subcontracting**
  - The factory has used *** as a subcontractor for producing 'Nike' products, we were informed this has been approved by Nike.
  - None
  - Nil
  - Nil
  - Nil
  - Nil
  - Nil
  - Nil
  - Nil

### Ongoing

- Deadline agreed with Nike - August 2003
- Management states that it will follow the Thai labour law in respect of overtime calculations.
- Adia SEA Team to follow-up on this issue during future visits.