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.
<table>
<thead>
<tr>
<th>FLA Audit Profile</th>
<th>Country</th>
<th>Factory Name</th>
<th>FLA Code</th>
<th>Status</th>
<th>Non-compliance</th>
<th>Action Required</th>
<th>Remediation Plan</th>
<th>Target Completion Date</th>
<th>Follow Up Documentation</th>
<th>PC Remediation Plan</th>
<th>Factory Response</th>
<th>Company Follow up</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLA Benchmark</td>
<td>Thailand</td>
<td>Asics Corp.</td>
<td>400074489E Kenan Institute Asia</td>
<td>Updates (Cite Date of Follow up)</td>
<td>Third-Party Verification</td>
<td>21-22 December 2006</td>
<td>1. Code Awareness</td>
<td>Remediation of non-compliance (Uncorroborated)</td>
<td>25-May-2007</td>
<td>Pending</td>
<td>On-going</td>
<td>Documentation Completed</td>
</tr>
</tbody>
</table>

### FLA Principle of Monitoring, Obligation of Companies:

Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

#### Evidence of Non-compliance (Uncorroborated)

If not corroborated, explain why:

Sources/Documentation used for corroborating:

Notable Features implemented by Factory Management or Company:

PC Internal audit findings (Optional):

PC Remediation plan:

Target Completion Date:

Factory Response (Optional):

Company follow up (May 25, 2007):

Documentation Completed; Pending; On-going

#### FLA Principle of Monitoring, Obligation of Companies:

- **Hiring Discrimination Practices**
  - Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, termination of employment, provision of retirement.
  - The application form contains questions about religion, nationality and military status which may lead to discriminating practices.
  - We have found in the application form that there are questions about religion, nationality and military status, which may lead to discriminating practices.
  - We have found that the application form contains questions about religion, nationality and military status. However, the presence of such questions on the application form is not necessary to the hiring process, just for HR database.
  - Workers and Management interview; payroll records review
  - Remediation:
    - Application form reviews and workers interview
    - Factory shall remove discriminatory questions about religion from their application form, but according to local law, there is no provision for banning religious discrimination.
    - The management has agreed to remove these questions.
    - Application form for every single workers are classified. Discriminating practices never been happened.
    - Factory have removed the clause for religious discrimination.

#### FLA Principle of Monitoring, Obligation of Companies:

- **Sex discrimination**
  - There shall be no differences in compensation and benefits attributable to gender.
  - Male daily workers will be promoted to monthly workers after working for one and a half years, but two years period required for females.
  - Promotion, discipline, termination of employment, provision of retirement.
  - Remediation:
    - Management and workers interview; payroll records review
    - PC required factory management to have a written policy stating that promotions are based on the individual performance of the job then inform the policy of all workers.
    - It depends on working ability of workers.
    - Remediation:
      - Application form for every single workers are classified. Discriminating practices never been happened.
      - Factory have removed the clause for religious discrimination.

#### FLA Principle of Monitoring, Obligation of Companies:

- **Harassment or Abuse**
  - Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.
  - No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, national origin, political affiliation, or any other factor protected by law.
  - No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher.

#### FLA Principle of Monitoring, Obligation of Companies:

- **Child Labor**
  - There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or other means.
  - Remediation:
    - Application form for every single workers are classified. Discriminating practices never been happened.
    - Factory have removed the clause for religious discrimination.

#### FLA Principle of Monitoring, Obligation of Companies:

- **Nondiscrimination**
  - There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or other means.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
<th>Requirement</th>
<th>Improvement</th>
<th>Photograph/Video/DSS</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-Mar</td>
<td>Emergency lights are placed in an appropriate location.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22-Feb</td>
<td>Visual inspection Factory has (to) keep the door open during the working hours.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22-Feb</td>
<td>Visual inspection Factory has no MSDS or any warning sign posted in chemical storage area.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Health and Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health and Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emergency exit in raw material storage is closed and locked during the working hour; thus, it is not easy to escape in case emergency occurred.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>To prevent unsafe exposure to hazardous chemicals, appropriate accommodations shall be made for pregnant women and minors as required by applicable laws in a manner that does not unreasonably disadvantage employees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, exit signs, first aid kit, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accident investigation and reporting system shall compile, analyze data and statistics and prepare report including recommendation relating to injury, illness or disturbance arising out of employment of the employee.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All safety and accident reports shall be maintained for a least one year, or longer if required by law.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8. Wages and Benefits

Employers will recognize and respect the right of employees to freedom of association and collective bargaining. Employers recognize that wages are essential to meeting employees’ basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.

9. Hours of Work

Completed

Factory has implemented a weekly 60 hour work for most of the workers. Factory has recorded those workers who work excess overtime to follow up their working time. This has been controlled. No excess OT since Dec-06.

Factory workers interviewed recognized the existence of overtime worker and moved to remediate to keep the working hours to comply with the local law. Factory shall establish the checking system for working hours and time cards reviewed.

10. Overtime Compensation

Completed

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

Miscellaneous

Linking section wage is composed by fixed salary (hourly rate) and piece-rate. Fixed salary exceeds minimum wage completely. When workers work on holidays, overtime compensation is paid based on the piece-rate they earn on that day.

Linking and Sewing section are paid by incentive system.

Some workers worked overtime in excess of 12 hours per week in Feb, Apr, May, Jul, Aug, Sep, Oct and Nov ‘2006. The maximum overtime working hours was 16 hours per week. In Nov, 6 out of 25 selected workers worked 12 hours per week. In Nov, 1 out of 25 selected workers worked 12.5 hours per week.

Factory replied Management and Overtime Limitations Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the number of hours specified by the applicable works council or occupational safety and health committees. Remediation

IEM Findings Updates (Cite Date of Follow up) Third-Party Verification Company Verification Follow up

Management and Company Follow up Documentation Completed;

Pending; On-going

PC Remediation Target

There is contradiction between production-based figures and the worker contract. The workers are paid by piece-rate system. As such, their compensation during holidays or leaves should also be based on piece-rate rather than by daily rate as they were actually paid.

PC Internal audit findings (Optional)

Workers should be involved in planning for safety, including through worker safety committees.

There is no meeting record for October and November 2006 available for review to demonstrate that a regular meeting of the Occupational Health and Safety Committee was conducted at least once a month as required by the law. The last meeting was recorded on September 14, 2006.

Other: 2 The Notification of Ministry of Labor and Social Welfare, Re: Safety, Occupational Sanitation and Working Environment section 15 which stated that “An employer shall meet with the committee of safety, occupational sanitation and working environment at least once a month.” The report of last meeting was available for review at the factory. The last meeting was conducted on November 10, 2006.

Documentation

Company follow up Documentation Completed;

External (Cite date of planned or follow up visit, if appropriate)

Factory reply: There is no meeting record for October, November 2006 available for review to demonstrate that a regular meeting of the Occupational Health and Safety Committee was conducted at least once a month as required by the law.

Evidence of Non-compliance (uncorroborated)

No evidence of non-compliance.

Area: Keeping the flammable material (Diesel Oil and Lubricant Oil) has no warning sign posted such as “no smoking,” “flammable substance.”

Sources/Documentation

Factory employees; FLA Benchmark Non-compliance Risk of Non-compliance

Compliance

Evidence of non-compliance.

Area: Keeping the flammable material (Diesel Oil and Lubricant Oil) has no warning sign posted such as “no smoking,” “flammable substance.”

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