

*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.

FLA Audit Profile	
Country	Indonesia
Factory name	12023341B
IEM	Bureau Veritas CPS-SA, Indonesia Branch
Date of audit	June 10 ~ 12, 2003
PC(s)	Reebok International Ltd.and Nike Inc.
Number of workers	1017
Product(s)	Garment
Production processes	Cutting, Sewing, Finishing, Packing
Other brands in factory	

FLA Code/ Compliance issue	Findings				Remediation					Status Completed; Pending; On-going	
	Benchmark or Legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	Completion Date	Documentation		PC Follow-up & Verification
<b>1. Code Awareness</b>											
Code posting	<b>FLA Principles of Monitoring, Obligation of Companies:</b> Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	It was noted no FLA Code of Conduct was posted on site	Per visual inspection.		(a) Reebok's code of conduct is posted in the factory, however, it is an outdated poster. Reebok will provide the factory with its new code of conduct " <b>Notice to Workers</b> " poster, in the local language for posting in prominent locations inside the factory. Once posted please submit to Reebok pictures of the posters posted, and please indicate on pictures where they have been posted inside the factory.  (b) However, Reebok requires that all workers receive information on Reebok's Human Rights Production Standards on an ongoing basis, (for example through education programs and worker handbooks) as part of the factory's efforts to create an informed workplace. Please submit to Reebok a plan for how the factory intends to educate existing workers and new workers (as part of their orientation) on Reebok's Human Rights Production Standards on an ongoing basis.	(a) 19-Aug-03 (b) 5-Sept-03	(a) The posters have been posted in 4 locations; 2 in workplaces, 1 in reception, and 1 in the office. Pictures have been submitted to Reebok.  (b) The factory conducted a whole day training to all employees on September 5, 2003, while production was stopped for the whole day. Regarding new workers, information will be given during the orientation. Regarding ongoing communication, factory will allocate time during production meetings to inform employees about Reebok's code of conduct as a means to provide ongoing communication on the standards.	(a) 19-Aug-03 (b) 5-Sept-03	(a) Pictures of the postings were submitted to Reebok as verification, and are maintained in Reebok's internal files. (b) Documentation of the training has been requested from the factory	As part of its efforts to create an informed workplace, the factory has developed a comprehensive training program for workers, which was conducted during an all day worker-management session at the facility on September 5, 2003. Training included the following: Reebok's Standards, operational safety, protective equipment, factory rules, overtime policies.  Reebok's monitor confirmed that the posters were posted, and is working with the factory on its education and training program for workers. Reebok will continue to monitor the factory's efforts, in order to determine compliance with its worker education commitments.	(a) Completed (b) Ongoing
Worker/management awareness of Code	<b>FLA Principles of Monitoring, Obligation of Companies:</b> Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	The Participating Company didn't put in place a confidential noncompliance reporting mechanism that allows workers to report complaints	Document review and management interview		Reebok's "Notice to Workers" posters will be posted inside the factory, and this poster contains contact information on how to reach Reebok's local human rights monitor.	(a) 19-Aug-03 (b) 5-Sept-03	The posters have been posted in four locations (2 in workplaces, 1 in receptionist, and 1 in the office). A verbal communication was held during the September 5th, 2003 training on how to communicate with Reebok and reach Reebok's monitor.	05-Sep-03	Pictures of the poster postings were submitted to Reebok as verification, and are maintained in Reebok's internal files.	Reebok's monitor confirmed that the posters were posted. Moreover, workers are informed during worker interviews on how to reach Reebok's monitor. Reebok will continue to monitor the factory's efforts to create an informed workplace.	Completed
		<b>Recommendation:</b> Factory did not maintain current labor laws and health and safety regulations nor were they posted for the workers to view.	Per visual inspection, document review and management interview		Please post any information on local labor laws and health & safety regulations that is required to be posted in accordance with local law. Once posted, please submit to Reebok pictures of the posting, and indicate on the picture where they have been posted in the factory.	19-Aug-03	The information on local labor laws and health & safety regulations is posted on our information & notice board. Pictures have been submitted to Reebok.	Sep-03	Pictures of the postings have been submitted to Reebok as verification and are maintained in Reebok's files.	Reebok's monitor will monitor the factory's maintenance of posting of all regulations during its audits of the facility.	Completed
<b>2. Child Labor</b>											
Inadequate age documentation	<b>FLA Benchmark, Child Labor:</b> Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	It was noted 5 out of 30 workers interviewed were missing copies of ID card in the personnel record.	Nil		(a) Factory must review all employee's personnel files to ensure a reliable documentation of age is present in each and every file. For any files missing age documentation, factory must require the worker to show an original document to verify age, and copies of the documents must be placed in the employees' personnel file. Factory should take proactive steps to ensure the veracity of the documents. (This document can be a national identification document, birth certificate, school diploma, educational certificate, residence document indicating name and age of members of household, health certificate, etc).  (b) Moving forward, factory must establish a procedure for routinely verifying the age of all employees. Please submit to Reebok written documentation of this process.	19-Aug-03	(a) We will ask for and keep copies of personal identification (known as KTP) and school certificate to verify worker's age.  (b) Factory has implemented a system whereby all employee's personnel files are reviewed regularly twice a year, every July and December. Factory will maintain the veracity of the documents by regular inspection. Personnel department will be responsible for running this system.	Aug-03	Written documentation of the factory's new system to verify age has been requested from the factory.	Factory reports to have a system for verifying the age of workers and for maintaining independent documentation of age in personnel files. Reebok's monitor will monitor the effective implementation of this system during its follow-up audits of the facility through worker and management interviews and documentation review.	(a) Completed (b) Completed
<b>3. Forced Labor</b>											
		No violation observed									
<b>4. Harassment or Abuse</b>											
		No violation observed									
<b>5. Nondiscrimination</b>											
		No violation observed									
<b>6. Health and Safety</b>											
Fire Safety	<b>Country Law:</b> According to Article 4 of Regulation of Labor Minister No. PER-04/MEN/1980 and Article 3 of The Safety Act No. 1/1970: : Factory must post fire extinguisher at canteen/dining facility area to prevent fire. <b>FLA Benchmark, Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	From factory tour, it was noted no fire extinguisher provided at canteen/dining facility area.	Per visual inspection.		(a) Factory must install an appropriate number of fire extinguishers in the canteen/dining facility, and its placement should be identified with a sign that is easily seen at a distance. Workers in the canteen/dining facility should then be trained on how to extinguish small, localized fires with appropriate equipment, and how to use the fire extinguisher. Please submit to Reebok (i) pictures of the newly mounted fire extinguishers, and (ii) documentation of the worker training (who conducted it, who attended, etc.) with pictures taken during the worker training.  (b) Factory should designate a qualified individual in the factory to be responsible for the development of a comprehensive fire safety program that plans for emergency action (fire notification systems, fire fighting equipment, evacuation routes, training). This person should inspect the factory routinely to ensure each production area has fire safety equipment in proper working order. Please submit to Reebok the name and title of this individual.	(a) 19-Aug-03 (b) 5-Sept-03	(a) Fire extinguishers have been provided, along with a sign to indicate their location. Factory trained employees how to use them, by allocating training on how to use fire extinguisher in the Sept 5, 2003 all day training (see above for more details). A supervisor from the mechanic division conducted the training.  (b) A supervisory level in mechanic division has been assigned to be responsible for Fire safety aspect in the facility. He will be responsible for the routine inspections of fire safety equipment.	05-Sep-03	Pictures of the fire extinguisher, as well as documentation of the training, have been requested from the factory.	Factory has designated an individual to manage fire safety issues, who is now in charge of developing a comprehensive fire safety program, which includes training for workers. Reebok's monitor will work with this person as needed to meet Reebok's fire safety standards, and will continue to monitor the factory's ongoing compliance.	(a) Completed (b) Ongoing

FLA Code/ Compliance issue	Findings				Remediation					Status	
	Benchmark or Legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	Completion Date	Documentation		PC Follow-up & Verification
PPE	<b>Country Law:</b> According to Article 14 of The Safety Act No. 1/1970: Factory must provide gloves for workers who handling chemical as personal protective equipment. <b>FLA Benchmark, Health and Safety:</b> Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	From factory tour it was noted no gloves provided for workers at finishing while working with chemical (Benzene).	Per visual inspection and interview		(a) Factory should equip these workers with Personal Protective Equipment (PPE) of the correct type, and train these workers on the reason for their use, and how to use the PPE correctly. (b) Factory should assign a qualified individual to assess all activities where PPE is required, and then supply any workers who are missing PPE with PPE of the correct type at no cost to workers. In all areas where activities are conducted where PPE is required, factory should post, in the language spoken by workers, a "poster" which details the factory's policy on PPE. Reebok recommends that the poster should address each type of activity where PPE is required, and should also include the following: (i) encouragement to workers on the use of PPE where required, and any factory disciplinary policies for failing to use PPE, (ii) instructions on the reasons for PPE and risks for not using it, and (iii) how to use the PPE properly. Please submit to Reebok documentation on your efforts in this regard, including copies of the PPE poster. (c) Please submit to Reebok Material Safety Data Sheets (MSDS) for all spot removers chemicals used in the factory for Reebok's evaluation, in order to determine any needs for solvent alternatives.	(a) 19-Aug-03 (b) 31-Aug-03 (c) 19-Aug-03	(a) PPE is required by the factory, and workers have been provided with PPE where missing. Training on how to use PPE was included in the Sept. 5th training, where workers were shown how to wear PPE properly. For more information on the 9/5/03 training, please see above.  (b) Factory has a policy where PPE is required, the factory's policy on PPE has been posted properly. Pictures have been submitted to Reebok. Supervisor has been placed in charge of enforcing the factory's PPE rules, and in determining an additional training needs.  (c) We are using now using a detergent for cleaning easy dirt and "dry solvee" to be used on difficult stain. MSDS under development.	05-Sep-03	Pictures of the posted PPE poster has been submitted to Reebok, and is maintained in Reebok's internal files. Documentation of the worker training, and copies of MSDS have been requested from the factory once completed.	Reebok's monitor has confirmed that the factory has developed PPE policies, and posted them in the facility. Reebok will continue to monitor the factory's ongoing compliance with PPE requirements and worker education efforts during its follow-up audits of the facility, through worker and management interviews and documentation review. Reebok will also work with the factory to develop any MSDS forms as part of its efforts to educate workers on PPE needs.	(a & b) Ongoing (c) Pending
Emergency Lighting	<b>Country Law:</b> According to Article 13 of Regulation of Labor Minister No. 7/1964: Factory must install emergency light above exit, stairwell and hall to prevent in emergency case/accident. <b>FLA Benchmark, Health and Safety:</b> All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	From factory tour, it was noted no emergency light were provided at stairwells and exit door at the lobby/receptionist area.	Per visual inspection.		Emergency exits in the lobby/receptionist area must be clearly marked, well illuminated, and fitted with emergency lights. Please submit to Reebok pictures of the emergency exit once this has been completed.	19-Aug-03	Emergency exits in the lobby/receptionist area have been marked and fitted with emergency lights.	05-Sep-03	Pictures have been requested from the factory.	Reebok's monitor will confirm that all emergency exits (including the reception area) are clearly marked, illuminated and properly fitted with lights during his/her next audit of the facility.	Completed
Postings 1	<b>Country Law:</b> According to Article 3&14 of The Safety Act No. 1/1970: Factory must display clear and eligible written notice and safety poster describing statutory health and safety requirement. <b>FLA Benchmark Health and Safety:</b> All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	From factory tour, it was noted no 'Exit' marking was posted at exit door of 2nd floor near director room, which leading to outside.	Per visual inspection.		(a) All emergency exits in the factory must be clearly marked, well illuminated, and fitted with emergency lights. Please do so in the exit door of the 2d floor near the director's door, and then submit to Reebok pictures of the emergency exit once this has been completed.  (b) Factory must assign a qualified individual to routinely inspect all emergency exits to ensure they are maintained with clear markings, sufficient illumination, and fitted with emergency lights. Please submit to Reebok your plan for inspections.	19-Aug-03	(a) The exit door of the 2d floor near the director's door has been marked and fitted with an emergency light. (b) Factory has appointed [a factory manager] to conduct routine inspections of emergency lights and emergency equipment. The inspection is to be conducted every Monday and a report is to be submitted routinely.	05-Sep-03	Pictures have been requested from the factory.	Reebok's monitor will work with the factory, and continue to monitor the factory's facilities, to determine whether the newly developed internal system works to maintain compliance with Reebok's Standards.	Completed
Postings 2	<b>Country Law:</b> According to Article 14 of The Safety Act No. 1/1970: Factory must display/post a copy of the safety act No. 1/1970 in prominent place where accessible for all workers. <b>FLA Benchmark Health and Safety:</b> All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	From factory tour, it was noted no copy of the safety act of 1970 was posted on site.	Per visual inspection.		Please post a copy of the safety act in accordance with local law, and provide Reebok with pictures of its posting.	19-Aug-03	We have posted the safety act of 1970 at site	05-Sep-03	Pictures have been requested from the factory.	Reebok's monitor will confirm the posting during its next audit of the facility.	Completed
Postings 3	<b>Country Law:</b> According to Article 3 of Regulation of Labor Minister No. PER-05/MEN/1985: Factory must provide maximum loading capacity marking of freight lift at prominent place and readable <b>FLA Benchmark Health and Safety:</b> All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	From factory tour, it was noted no maximum loading capacity marking was provided for the freight lift.	Per visual inspection.		(a) Please mark the freight lift with maximum loading capacity. Submit to Reebok pictures of this posting.  (b) Factory safety begins with worker training, and workers operating the freight lifts should be trained on their proper se (including maximum loading capacity). Please submit to Reebok documentation of worker training once completed.	(a) 19-Aug-03 (b) 5-Sept-03	(a) The freight lift has been marked with maximum loading capacity as requested.  (b) A safety regulation & proper operating methods have been mentioned on a poster and the poster has been posted. Detailed training was conducted on September 5, 2003 as part of the factory's comprehensive training program for that date. For more information the 9/5/03 training, please see above.	(a) 19-Aug-03 (b) 5-Sept-03	Pictures of the freight lift, and documentation of the training program, have been requested from the factory.	Reebok's monitor has confirmed that maximum loading capacity is provided on/near the freight lift, and will continue to work with the factory to determine any additional training needs for freight-lift operators.	Completed
Exits	<b>Country Law:</b> According to Article 3 of The Safety Act No. 1/1970: Factory must keep all exits which lead to outside in unlocked condition at all times. <b>FLA Benchmark, Health and Safety:</b> All applicable legally required or recommended elements of 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	From factory tour it was noted main exit at warehouse which lead to outside and often used for in or out raw materials was found in locked condition.	Per visual inspection and interview		Exit doors and emergency exits must be kept unlocked during working hours, including nighttime if the factory is operating. If the door must be locked to prevent entry from outside, there are available devices, such as safety doors with alarms, that enable the door to be easily and immediately opened from the inside. Please unlock this door, and place a sign on the door that clearly states door must remain unlocked. Please submit to Reebok pictures of this unlocked door once the sign has been posted.	19-Aug-03	Factory will maintain the exit opened. An illuminated exit sign has been installed to remind workers that door must be kept unlocked. Illuminated exit sign and emergency exit sign are posted above the opened exit.	19-Aug-03	Pictures have been submitted to Reebok and are maintained in Reebok's internal files.	Reebok's monitor will confirm continued compliance through worker interviews during the next audit of the facility.	Completed

FLA Code/ Compliance issue	Findings				Remediation					Status Completed; Pending; On-going	
	Benchmark or Legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	Completion Date	Documentation		PC Follow-up & Verification
Protective Devices	<b>Country Law:</b> According to Article 4 of The Safety Act No. 1/1970: Factory must install sewing machines with pulley guard and needle guard as safety devices. <b>FLA Benchmark, Health and Safety:</b> All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	From factory tour, it was noted most of sewing machines were not installed with pulley guard and at least 6 sewing machines at line 5 & 1 were not installed with pulley guard.	Per visual inspection		(a) All sewing machines inside the factory must have needle guards and pulley guards. Factory must conduct an inspection of all sewing machines to determine which machines are missing (or have broken) safety devices, and then equip any machines needing new guards with the necessary guards. Please submit to Reebok (i) a list of the total number of machines needing safety guards and (ii) documented proof (purchase receipts, pictures, etc.) that the guards were installed.  (b) Factory should also develop and document a process for the regular inspection of sewing machines by a qualified person to ensure that machines are equipped with the proper safety devices on an ongoing basis. Please submit to Reebok a copy of this documented process/plan.	19-Aug-03	(a) Factory is conducting investigation, and subsequent installation, in batches to help manage the workload. The schedule of installation is as follows : 1) Line 1-2 : by Sept 30, 2003 2) Line 3-4 : by Oct 30, 2003 3) Line 5-6 : by Nov 30, 2003 4) Line 7 & Finishing section: by Dec 30, 2003 . Documentation will be provided as line inspections are completed.  (b) Factory has appointed the supervisor of the mechanic division to be responsible for the implementation of the sewing machine inspections for proper safety. Factory will submit documentation as inspections are completed. Moreover, person is responsible for ongoing investigations of machinery for proper safety.		Documentation will be submitted once completed	The factory's investigation is behind schedule, but still ongoing. Reebok's monitor will follow-up with the factory to ensure the factory closes out this issue, and will continue to supervise the factory to determine ongoing compliance with machine safety commitments.	Pending
Toilets	<b>Country Law:</b> According to Article 6 of Regulation of Labor Minister No. 7/1964: Factory must add sufficient number of toilet on site, at least 6 toilet for every 100 workers.	From factory tour, it was noted insufficient toilet number on site. The factory has 20 female toilets at 1st floor, 1 male toilet at 1st floor, 2 guest toilets at 1st floor and 3 staff toilets at 2nd floor of 1017 total workers.	Per visual inspection		Toilets must be sufficient in number for both genders, and located within the factory building. Reebok requires at a minimum toilets for the first 150 workers, plus one additional toilet for every 40 workers above that number. This calculation is done separately for male and female workers. However, for males, up to 1/3 of the number of toilets can be substituted by urinals. Factory must outfit the factory with the appropriate number of female and male toilets using this calculation. Please submit to Reebok a plan for how the factory plans to meet this requirement.	19-Aug-03	Toilets for women have been added 10 more (total 30 units) and those for male have been added one (total 2).	Sept-03	Pictures of the toilet facilities have been requested from the factory	Reebok's monitor will verify the installation of additional facilities during his/her next audit of the facility.	Completed
Other	<b>Country Law:</b> According to Freight lift, light protector and electrical installation inspection report: Factory must re inspect their freight lift, light protector and electrical installation at least once a year as per requirement to the relevant authority.	Based on document reviewed, it was noted some equipment/machinery have expired inspection report, while it must be re-inspected by relevant authority at least once a year as per requirement, the details were listed as below: - Freight lift inspection report No. 1257/PA&T/KW.9/KD.3/2000, latest inspection conducted on December 19, 2000. - Light protector inspection report No. 967/W.9/K.3/IPP/PENG/2000, latest inspection date conducted on December 9, 2001. - Electrical installation inspection report No. 003/W.9/K.9/LISTRİK/PENG/2001, latest inspection conducted on December 12, 2000.			Factory must contact the local authority for them to re-inspect their freight lift, light protector and electrical installation in accordance with local law.	19-Aug-03	The freight lift, light protector, and electrical installation have been inspected by the local authority recently.	03-Aug-03	Certification from the local authority has been requested from the factory.	Factory reports to have inspections completed, and certifications of inspections have been requested as additional verification.	Completed
<b>7. Freedom of Association and Collective Bargaining</b>											
Communication of Collective Agreement	<b>Country Law:</b> According to Article 114&126 of Labor law of Republic of Indonesia No. 13/2003: Factory must convey collective labor agreement to all workers by posting at prominent place and giving a booklet of collective labor agreement	It was noted collective labor agreement/company regulation was not posted at prominent place, distributed and conveyed to their workers. At least, all workers interviewed did not know anything about contains of collective labor agreement/company regulation.	Per visual inspection and interview		Please provide copies of the Collective Bargaining Agreement (CBA) to all workers, and/or post the CBA in a prominent place inside the factory, in the local language of management and workers.	19-Aug-03	Copy of the company regulation has been posted in the local language in the factory's posting area. Detailed education was also conducted on Sept 5, 2003 as part of the factory's all -day training program. For more information on this all day training, please see above.	05-Sep-03	Pictures of the postings have been submitted to Reebok as verification and are maintained in Reebok's files.	Reebok's monitor confirmed the posting, and will continue to work with the factory to determine any additional worker communication and/or training needs.	Completed
<b>8. Wages and Benefits</b>											
Lack of legal benefits	<b>Country Law:</b> According to Article 3 & 22 of JAMSOSTEK (Social Security Scheme) Act No. 3/1992 & Article 2&10 of Regulation of Government of Republic of Indonesia No. 14/1993:Factory must cover all worker to JAMSOSTEK and must pay JAMSOSTEK on time (once a month) which is equal with deduction made from worker's salary <b>FLA Benchmark, Wages and Benefits:</b> Employers will provide all legally mandated benefits to all eligible workers	It was noted 750 out of 1017 workers were covered to JAMSOSTEK (social security scheme). Beside, the latest payment was made on December 2003.	Document and Interview		Factory must provide all legally mandated benefits to all eligible workers, as determined by the applicable local social insurance bureau. (a) Factory must obtain from the local social insurance bureau a certified document explaining the percentage of the factory's workforce which must be covered, which workers are eligible for benefits and as of which dates, and the type of benefits which must be provided. Please submit to Reebok a certified copy of the local insurance bureau's response. (b) Factory must then comply with the obligations outlined by the local social insurance bureau moving forward. Moreover, factory must investigate internal records to determine whether any workers are owed benefits as outlined by the bureau, and if so, provide retroactive payment of all benefits owed.  Please submit to Reebok (i) a list of all workers who are owed benefits, and (ii) copies of payroll records demonstrating retroactive payment of benefits owed.	31-Aug-03	We will let all employees be covered to Jamsostek. The amount for January to May is to be paid in 3 times; The first payment has been done on July 29, 2003, the second one is to be done by September 5, 2003, and the third one is to be done by October 6, 2003. The approval letter from Jamsostek was submitted to Reebok.		Certification of payments has been requested from the factory once completed.	Factory has obtained written requirements from the local social insurance bureau, and while it is making payments, it is behind schedule on the last payment. The factory will be meeting these requirements over the course of the next few months. Reebok's monitor will continue to monitor the factory to determine ongoing compliance with these commitments.	Pending
Maternity Payment	<b>Country Law:</b> According to Article 82 & 84 of Labor law of Republic of Indonesia No. 13/2003: Factory must pay their salary's female workers during they are taking 3 month maternity leave. <b>FLA Benchmark, Wages and Benefits:</b> Employers will provide all legally mandated benefits to all eligible workers	It was noted at least 1 worker who has below 1 service year at sewing (Line 1) section had not compensate during her 3 month maternity leave on period.	Document and Interview		(a) Factory must pay this female worker her wages in accordance with legal mandates in local law. Please submit to Reebok a copy of the payroll record demonstrating payment.  (b) Factory should develop and implement a maternity leave policy which outlines leave allowable by law and provided by the factory, how workers can request leave, and the wages and benefits workers are entitled. Please also outline how the policy will be communicated to workers. Once developed, please submit to Reebok a copy of this policy.	(a) 19-Aug-03 (b) 31-Aug-03	(a) The wages have been paid on August 12, 2003. Copy of evidence has been submitted.  (b) The policy regarding compensation during maternity leave for all workers whose service period is less than a year is covered in the company regulation article 16. Verbal communication regarding the specific policy has been done.	01-Sep-03	Wage payment records, and local insurance requirements have been submitted to Reebok, and are maintained in Reebok's internal files.	Factory has developed, and included in its employee handbook, a policy on maternity leave coverage. Moreover, payroll records demonstrate payment to this female worker. Reebok will continue to monitor the factory's continued compliance with local maternity leave requirements	Ongoing

FLA Code/ Compliance issue	Findings				Remediation					Status Completed; Pending; On-going	
	Benchmark or Legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	Completion Date	Documentation		PC Follow-up & Verification
Contracts & Severance Pay	<b>Country Law:</b> According to Article 58 & 59 of Labor law of Republic of Indonesia No. 13/2003: Employment agreement's worker for specified periods of time must not indicate engagement of 3 months probation periods and is not allowed to extend the contract more than once.	It was noted at least 3 employment agreements for specified periods of time has been extended more than once (the maximum was found 4 times), while they must be engaged for 3 months probation period prior as well prior to joining as contract worker for specified periods of time. Beside they have worked at main production sector, such as sewing, accessories warehouse for more than 1 year. By keep extending the same contract for more than 1 time the factory is not obliged to give termination package (i.e. severance pay) for contract worker.	Document and Interview	Nil	Reebok requires that all training and probationary workers be paid at least the legal minimum wage, and that training period shall not exceed three months. Please provide Reebok with copies of payroll records indicating minimum wage payments to trainees.	19-Aug-03	(a) Factory has developed a training policy in accordance with these requirements. We will make sure again that the training period is not to exceed three months. Moreover, the wage during training and probationary is at least the legal minimum wage.  (b) Regarding requirement on contract agreement, we will follow new labor law no.13, year 2003. Copy of contract agreement enclosed.	Aug-03	Copy of the factory's contract has been submitted to Reebok, and is maintained in Reebok's internal files.	Factory has developed a training policy whereby trainees are guaranteed the minimum wage, and a training period of no more than three months. Ongoing compliance with the training policy will be monitored by Reebok's monitor during future audits of the facility.	Completed
<b>9. Hours of Work</b>											
Lack of one day off in seven	<b>Country Law:</b> According to Article 79 of Labor Law of Republic of Indonesia No. 13/2003 <b>FLA Benchmark, Hours of Work:</b> All workers must receive at least 1 day off in every 7 days of periods	Based on randomly sample selection and time card reviewed, it was noted some workers have worked consecutively without one day off in every 7 days periods. The details at least were listed as below: - January 20-31, 2003 (12 consecutive days): (X) workers at finishing, - February 3-15, 2003 (13 consecutive days): (X) workers at finishing, - February 17-28, 2003 (12 consecutive days): (X) workers at finishing and sewing, - March 17-29, 2003 (13 consecutive days): (X) workers at sewing and QC	Document and Interview		(a) Factory must develop and implement a policy where workers are entitled to at least one day off in every seven-day period. Policy should explain how the policy will be communicated to workers. Please submit to Reebok a copy of this policy.	19-Aug-03	We will try not to work on Sunday on national holiday. Especially, we will try to avoid consecutive working situation. A policy to this effort is covered in the Company Regulation article 13 "Workers are given 1 day off after working for 6 consecutive days."	Aug-03	Copy of the factory's company regulation has been submitted to Reebok, and is maintained in Reebok's internal files.	Factory has developed a rest day policy, and included it in the employee handbook for reference. Compliance with the rest day policy will be monitored by Reebok's monitor during future audits of the facility.	Ongoing
Poor record-keeping	<b>FLA Benchmark, Wages and Benefits:</b> All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	It was noted no properly maintained 12 months back of time card record. During audit management was not able to provide most of time card record of year 2002 and some selected time card record of year 2003.	Document and Interview		Reebok requires factories to store all records for the last year onsite. Please inform Reebok on the status of your records keeping, and how you plan to bring the past years records on site.	19-Aug-03	All records for the last year onsite have been re-maintained. Your random inspection is fully accepted at any time. All absence card will be kept, our filing system will kept them on the side for the whole year.	Sept-03		Reebok's monitor will confirm the factory's documentation practices during his/her next audit at the facility.	Completed
Overtime Hours	<b>Country Law:</b> According to Factory's overtime waiver No. 560/259/137/HL-WASNAKER/03: Factory must maintain overtime hours in order to not exceed the factory's overtime waiver <b>FLA Benchmark, Hours of Work:</b> The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations	Based on randomly sample selection and time card reviewed, it was noted at least 1 worker at finishing section has worked overtime up to 7.5 hours day or 14.5 hours/day of total working hours on January 17, 2003. In addition, maximum total working hours is 70 hours/week on period January 20-26, 2003, while the factory has overtime waiver permitted to work maximum 12 hours/day of total working hours OR maximum 72 hours/week of total working hours (Overtime Waiver No. 560/259/137/HL-WASNAKER/03 issued by Labor dept. of Bogor region)			Reebok requires factories producing for Reebok to comply with its working hours standards, whereby works shall not be required to work more than 60 hours per week, including overtime, except in extraordinary circumstances which could not be contemplated. (a) Factory must commit to Reebok in writing that future production planning and workflow will be sufficiently organized to ensure workers are not required to work more than 60 hours per week or in excess of 10 hours a day, except in extraordinary circumstances. (b) Factory must develop a working hours policy to meet our standards, and communicate this policy to workers. Please submit a copy of this policy to Reebok, with an explanation of how it was communicated to workers.	19-Aug-03	The factory will request workers to work overtime only in extraordinary circumstance which could not be contemplated (a) To avoid overtime, we will make very well organized production plan and workflow. The workflow is enclosed. (b) A working hours policy has been developed and announced to workers. The policy is enclosed. This policy was included into the training material in the September 5th, 2003 training program. For more information on the 9/5/03 training program, please see above.	Sept-03	Factory's workflow, and working hours policy have been submitted to Reebok as verification, and are maintained in Reebok's internal files.	Factory has developed a plan for meeting Reebok's working hours standards, and has included a working hours policy in the factory's rules and regulations. Reebok's monitor will continue to work with the factory to help them meet working hour commitments, and will monitor the factory's continued compliance with Reebok's working hours standards.	Ongoing
<b>10. Overtime</b>											
		No violation observed									
<b>11. Others</b>											