

FLA Audit Profile						
Country	Thailand					
Factory name	07027464C					
IEM	Global Standards					
Date(s) in facility	November 25-26, 2004					
PC(s)	Adidas-Salomon; Nike, Inc.					
Number of workers	969					
Product(s)	Apparel					
Production processes	Dyeing, Weaving (Garments and Socks)					
Findings						
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If Finding Verified Via Multiple Sources, List All)	Was Finding Corroborated? Yes or No	If Not Corroborated, Explain Why
1. Code Awareness						
Worker/Management Awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the Workplace Standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Most of the workers are not aware of Code of Conduct (COC). They think it is about health and safety standards.	Worker interviews, visual inspection		
Confidential Noncompliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: 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.	Employees are not aware of grievance system and some fear repercussions.	Worker interviews	No	No other evidence available
2. Forced Labor						
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.						
Freedom of Movement		The freedom of movement of workers who live in employer-controlled residences will not be unreasonably restricted.	It was posted that no entry or exit was allowed in the factory dormitory after 10:30pm. Management stated this policy is not in use.	Worker interviews, visual inspection		
3. Child Labor						
4. 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.						
Disciplinary Action Punishment of Abusive Supervisors/Manager		Management will discipline (could include combinations of counseling, warnings, demotions, and termination) anyone (including managers or fellow workers) who engages in any physical, sexual, psychological or verbal harassment or abuse.	No clear written company policy regarding disciplinary punishment of abusive supervisors or managers.	Factory rules and regulations	Yes	
5. Nondiscrimination						
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, nationality, political opinion, or social or ethnic origin.						
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, assignment of work, termination of employment, provision of retirement.	Hiring discrimination found on job announcement board (gender) and worker request form (age, marriage status, personality and gender).	Job announcement, New Employee Request Form	Yes	

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Sex Discrimination		There shall be no differences in compensation and benefits attributable to gender.	Male employees pay higher dorm fee (20 Baht) than female employees. No document provided for voluntary deduction of this fee.	Payroll record, management interviews	Yes	

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6. Health and Safety						
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities						
Fire Safety: Health and Safety Legal Compliance	Notification of Ministry of Interior on the subject of safety in working conditions, safety in chemical working conditions, fire safety and prevention, safety in boiler working conditions: Factory Control Act B.E. 2535.	Employer will comply with applicable health and safety laws and regulations. In any case where laws and COC are contradictory, the higher standards will apply. Factory will possess all legally required permits.	Incomplete written procedures for emergency policies for workplace hazards. Emergency exit door routes and staircases not compliant with minimum legal requirements. Amount of fire extinguishers in Collar Weaving Section and Socks Weaving Section-Store Room are not compliant. No lightning rod protection for boiler, fuel oil bulk tanks/storage or chemical storage.	Emergency procedure, emergency evacuation plan, visual inspection	Yes	
Document Maintenance/ Accessibility		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.	MSDS in Thai only available for certain chemicals (others in English). Incomplete procedures for machine safety, chemical handling and use. No waste disposal tracking records, no filing of MSDS and Sor Oor #1 form to government. Missing report for Sor Oor #2-4 form. Missing report for toxic and hazardous substances. No construction, trash and incineration permit. No report for wastewater quality and daily operating permits and no drinking water quality report.			
PPE		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.	Did not provide fire fighting suit and trained fire fighter. Did not provide PPE for boiler operators (heat protection). Kevlar glove must be complete (modified for use-some fingers removed). No warning sign to wear PPE. Did not provide PPE for electrical maintenance workers.	Visual inspection	Yes	
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	No warning signs posted for most hazardous chemicals. Inadequate operating procedures in chemical laboratory. No training for hazardous waste disposal.	Visual inspection	Yes	
Ventilation/Electrical/Facility Maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and to prevent hazardous conditions for employees in the facility.	Electrical hazards in dyeing plant (wet floor and no one wearing protective footwear).	Visual inspection	Yes	
Record Maintenance		All safety and accident reports shall be maintained for at least 1 year, or longer if required by law.	Inadequate accident investigation records. Records are not filled out properly or completely.	Record reviews, worker interviews	Yes	

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Sanitation in Dormitories		All dormitories shall a) be kept secure and clean and b) have safety provisions (fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting, etc.). Emergency evacuation drills should also be conducted at least annually.	Emergency routes in dorm noncompliant (no fire escape from 2nd to ground floor).	Visual inspection	Yes	

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7. Freedom of Association and Collective Bargaining						
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.						
Other	Thai Labor Protection Act 1998; Chapter 7, Section 99: For employees' information, employer shall post in a public place at employee's work place, notifications of welfare provision under ministerial regulations issued under Section 95 or pursuant to an agreement with employees.		Latest Welfare Committee meeting minutes are not provided or announced to general employees.	Announcement Board		
8. Wages and Benefits						
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.						
Wage Benefits Awareness		Employers 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.	No written or oral explanation provided to employee regarding Wages and Benefits.	Visual inspection, worker interviews		
Wage and Benefits Posting		All notices that are legally required to be posted in factory work areas will be posted. All legally required documents, such as copies of legal code or law, will be kept at factory and available for inspection.	No minimum wage posting and no wage calculation posting.	Visual inspection, worker interviews		
Voluntary Use of Benefits	TLPA 1998: Chapter 5, Section 77: In case employer is required to obtain employee's consent, or there is an agreement with employee concerning payments under Section 54, Section 55, or deductions under Section 76, employer shall prepare a written document and, have employee sign the same, as evidence of granting consent, or there shall be an explicit agreement thereof.	All workers have a right to use or not to use employer provided services, such as housing or meals.	Workers receive an automatic wage deduction each payment period for lunch and OT meal fee, even when they may not take it.	Payroll record, management interview		
Payroll Reporting		Accurate and reliable payroll reporting, including pay stubs, will be provided.	Unreliable payroll reporting. In the February 16 - 29, 2004 payroll, 3 workers' income statements did include OT pay for Sunday (as evidenced by warehouse records) February 22, 2004. Additionally, pay slips workers held do not match the pay slips that were presented by HR team.	Payroll record, broken needle record, planning schedule		
Pay Statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.	Employees receive pay statements which are different from what was presented to auditors by management. Moreover, the amount of money which workers receive is different from payroll reporting.	Pay slip (from employee and factory), payroll report		
Time Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems, such as electronic swipe cards.	Unreliable time recording system. Some employees worked Sundays, (February 22, 2004; September 12, 2004; November 14, 2004.) but Sunday work not included in time recording report presented to auditors.	Time record review, broken needle report, worker interviews		
Record Maintenance		All compensation records will be maintained accurately and should be acknowledged by employee as accurate.	Inaccurate records found in February, September and November 2004.	Time record review, broken needle report, worker interviews		

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Legal Compliance for Holiday/Leave	TLPA 1998, Chapter 2, Section 32; Employee shall be entitled to take sick leave for days the employee is actually ill. If sick leave taken for 3 or more work days, employer may require employee to produce medical certificate from a first-class modern physician or a government clinic. If employee cannot or produce medical certificate from a first-class modern physician or a government clinic, employee shall give an explanation to employer.	Workers will be paid for holidays and leave as required by law.	Some workers were requested to present a medical certificate for 1 day of sick leave, and otherwise would not receive their wages for that day. Many employees are not aware of vacation leave. (They use vacation leave instead of sick leave, just to maintain their benefits and/or year-end bonus.)	Absenteeism record		
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime or falsely demonstrate hourly wages, or for any other fraudulent reason.	Payroll records presented to auditors did not show overtime, but workers' pay slips show excessive OT and Sunday work.	Time record review, payroll review, off-site interviews		
Monetary Fines and Penalties		Employers will not use monetary fine penalties for poor performance.	There is an announcement regarding monetary fine (20 Baht) for broken employee ID card.	Announcement at Collar Weaving Area	Yes	
Vacation Leave and Year-End Bonus			Workers are motivated to use the vacation leave for sick leave, just to maintain their year-end bonus.	Worker interviews, record reviews	Yes	
9. Hours of Work						
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 limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.						
Overtime Limitations	TLPA 1998; Chapter 2, Section 28; Employer shall let employee have at least 1 day per week as a weekly holiday; interval between each weekly holiday shall not be longer than 6 days. Employer and employee may agree in advance to fix any day as a weekly holiday.	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) limits on regular and overtime hours allowed by law of country of manufacture or, where laws of such country will not limit hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least 1 day off in every 7 day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	It was found that the some workers worked on Sunday, but there is no time record.	Payroll record review, broken needle record, planning schedule review, relevant persons interviewed		
10. Overtime Compensation						
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.						
Accurate Recording of OT Hours Worked		Employees will be paid for all hours worked in a work week. Calculation of hours worked must include all time that employer allows or requires worker to work.	From payroll record review, some workers were not paid correctly according to their overtime hours.	Payroll report review for February 2004		
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means.	Some workers have no awareness of how compensation is calculated.	Worker interviews		
Miscellaneous						

Remediation						
Best Practice	PC Internal Audit Findings (Optional)	Company Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 4, 2005)	Documentation
		Factories are required to provide basic training to all employees on their workplace rights and obligations. PC staff have been conducting training sessions in Bangkok every 3 months to all HR managers. This aims to familiarize factory with COC, local legal provisions, and expectations regarding compliance and cooperation. Factory to provide regular training on COC to all supervisors. Supervisors are to train workers in their area on COC.	January-05		Factory conducted COC training January 27, 2005. The majority of the 42 participants are supervisors from each section. PC has suggested company should have regular training on this issue for workers, and cross-check to see if supervisors have relayed message about COC to all of their staff.	Document review
		Factory to ensure training on communication channels and grievance procedures is provided to factory HR manager to ensure that a proper system has been established in regards to the communication process. Factory to develop clear written guidelines on communication channels and the grievance procedure and post them at each suggestion box.	March-05		Factory has posted suggestion box procedures. Existing suggestion box is located in an open area; therefore, PCs have suggested 1 more box should be posted in an area that is not exposed to many people and is more confidential. Factory to provide additional, more privately located suggestion box.	Document review, physical inspection
		Factory has informed PCs that policy is enforced in order to keep track of all workers' in/out times after 10:30pm for security reasons. In practice, workers can enter dorm after 10:30pm, but need to sign their name at security office at gate for security reasons. Employees who return to dorm later than 10:30pm report to security office. There is no restriction on worker's freedom of movement to/from dorm, as workers have a choice to stay overnight elsewhere. However, PCs have suggested factory creates written dorm regulations and informs all workers of necessity to get their signature after any 10:30pm arrival. Factory should revise written dorm regulations to be clearer and to reflect real practice. Factory agreed to a) set up and outline procedure, including explanation of security reasons behind practice in dorm regulation, by March 2005, and b) ensure workers are free to move to/from dorms at their own discretion.	March-05		In early March 2005, factory notified all residences in form of dorm regulation, which specifies and asks for cooperation, as well as points out that for security reasons for all employees, all residents will be asked to sign in when they return to their room after 10:30pm.	Document review
		Factory to create a clear policy in regards to disciplinary practice for abusive supervisors or managers.	January-05		Factory has created an additional clause in company policy and worker manual in relation to disciplinary punishment of abusive supervisors or managers. Moreover, factory has already included this announcement in monthly meeting schedule and had already submitted it to authorities.	Document review
		Factory to remove discriminatory elements of hiring announcements. Factory management and HR staff to attend ongoing training on COC, focusing on standard for Non-Discrimination. PCs' quarterly training workshop for all HR managers has included discrimination and hiring practices. PCs will continue to educate factory to ensure no discrimination is practiced in recruitment and hiring process.	January-05		Job board no longer specifies the gender, age, marital status of workers.	Physical inspection

Remediation						
Best Practice	PC Internal Audit Findings (Optional)	Company Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 4, 2005)	Documentation
		PC staff observed this factory lacks proper communication; all male dorm residents are deducted for cleaning fee, while female residents are not. During audit, observed all male staff voluntarily pay fee as they do not want to clean themselves. In conclusion, PCs have suggested factory clearly outline deduction in agreement form and let workers understand and sign. Factory has set up system and agreement form which has been signed by dorm residents. To ensure female workers are entitled to this service, PC will discuss with factory management at next visit and there will be more information provided in next follow-up visit.	February-05		Factory has called a meeting with male dorm residents and informed them clearly of regulation and cleaning fee to be provided for male residents. All male workers have agreed to pay this fee to factory in order to not have to clean their own room; each of them has signed the agreement form.	Document review

Remediation						
Best Practice	PC Internal Audit Findings (Optional)	Company Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 4, 2005)	Documentation
		a) Safety Officer to revise evacuation plan to be consistent with emergency procedure at time of fire drill. Factory to conduct fire drill to include proper procedures by August 2005. b) Factory to install emergency exit doors, with upgraded "Fire Exit" signs that will be illuminated in the dark for at least 15 minutes, and to widen evacuation area to comply with legal requirements. c) Factory to install 3 additional fire extinguishers at collar weaving section. d) Factory to install lightning rod at boiler.	a) Revision to be done by February 2005. Further investigation to be made by next fire drill in August 2005. b) March 30, 2005. c) February 2005 d) Complete.		a) The factory has revised emergency policies. b) Additional emergency lights have been installed. c) Additional fire extinguishers have been placed at the particular location. d) Lightning rod protection is already in place since IEM visit.	Document, physical inspection
		a) Safety Officer needs to revise and consolidate all MSDS being used in factory and obtain Thai copy from suppliers. b) Set up machine safety procedure, and indicate in local language the proper processes for operating chemicals. c) Contact local authority to obtain waste disposal tracking record. d) Update MSDS list and submit to local authority in a timely manner. e) Toxic and hazardous substances, as well as other permits, must be obtained from local labor bureau. f) Drinking water quality to be submitted to lab test, post result once passed examination. g) Wastewater quality testing to be updated and ensured to pass. Currently factory has a problem with excess 'Biological Oxygen Demand (BOD).' PCs request factory send safety officer to attend Safety Training Course, which is held at local authority to improve factory in the long term.	a) February 2005, b) April 2005, c) April 2005, d) February 2005, e) April 2005, f) March 2005, g) Ongoing, immediate testing to be conducted by February 2005.		a) Factory has complied and consolidated all MSDS in Thai and English. Additional copies have been posted. PCs have suggested factory should pay attention to hazardous chemicals as prescribed in Thai Safety Law. b) Factory still does not have a complete procedure for machine safety, chemical handling and use. c) Waste disposal tracking record has been discussed with local labor bureau in order to obtain a proper document. Trash and incineration permit has been discussed with local bureau and factory is in process of obtaining a copy of document. d) Filing of MSDS and SOR Oor #1 has been obtained. e) Sor Oor #2 -4 , toxic and hazardous substances has, been obtained. f) Drinking water report has been obtained. g) Wastewater quality report has been obtained. Factory has contacted local authority to enroll safety officer for safety training. Ongoing monitoring to be followed up.	Document review, management interview
		a) Provide and display fire fighting equipment in an easy to reach location. b) Provide appropriate PPE for boiler operators as well as conduct safety training. Post Do's and Don'ts at work area to encourage workers to wear PPE. Conduct regular inspection internally. c) Warning sign to be posted at chemical area. d) Provide proper PPE for electricians and enforce usage. e) Factory has agreed to nominate factory Safety Officer to attend 'Safety Training' held by PC quarterly, the topics include safety and PPE procedure.	a) April 2005, b) March 2005 - ongoing monitoring, c) March 2005, d) March 2005, e) Ongoing training		a) The safety officer placed an order for fire safety equipment in March 2005. b) Correct pictures have been posted; however, explanation is not clear and Completed. PCs have advised factory to revise pictures and repost Do's and Don'ts correctly. c) The signs are posted. d) PPE for electrician has been provided. e) The first training to be held at the end of March 2005.	Document review, management interview
		a) Factory has been provided with a copy of hazardous training template for factory to adopt. Factory needs to provide the training to all chemical handlers using PCs' COC guidelines. Training must be conducted every month and include this in training plan. b) Factory must obtain the Chemical Safety posters and post them at the chemical lab and dyeing area. c) Set up operating procedure for work area that deals with chemicals to include chemical controls, chemical handling, etc.	a) February 2005, b) February 2005, c) April 2005		a) Training on hazardous waste disposal has been conducted by dyeing department February 12, 2005. Training plan has been set up. b) Warning sign has been posted along with operating procedure. c) Factory has obtained education posters from suppliers, to be posted at hazardous chemical area.	Physical inspection, document review
		Ongoing education for safety issues to be provided to all workers in dyeing plant. Reinforce issue by conducting internal audit which focuses on safety concerns in this area.	First session of training to be conducted by April 2005.		All workers are wearing protective footwear. This is part of the safety policy of the factory.	Physical inspection
		PCs provided training to Safety Officer for completion of accident records. Factory must revise form, complete all details and enclose medical expense receipts (if any) in relation to accident case to ensure that casualty is compensated properly.	March-05		Form has been filled out properly. PCs have also suggested other details to be included in this form.	Document Review

Remediation						
Best Practice	PC Internal Audit Findings (Optional)	Company Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 4, 2005)	Documentation
		Create additional emergency staircase at side of dormitory building.	February-05		Additional emergency routes have been created at this area. PCs have recommended that new staircase material may not be solid enough to be used in case of emergency; therefore, it would require additional adjustment if used by many people. Factory has agreed to review architectural issue and improve.	Physical inspection

Remediation						
Best Practice	PC Internal Audit Findings (Optional)	Company Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 4, 2005)	Documentation
		Factory to post the Welfare Committee minutes on the notice board.	January-05		The meeting minutes have been posted.	Physical inspection
		Include an explanation of wage benefits in factory monthly meeting with workers. Post policy on notice board.	January-05		Since January 14, 2005, factory has posted this information.	Document review, physical inspection
		Written explanation on how to calculate wages and overtime to be posted on notice board. Include this topic in monthly meeting with workers to ensure all of them understand how to calculate their wages.	March-05		Factory has posted information on how to calculate wages. PCs have suggested to revise announcement to be clearer and include normal rate calculation, in addition to overtime calculation. Factory has taken this suggestion into consideration.	Physical inspection
		Food price provided by factory is much cheaper and more hygienic than food stores at front. PC staff observed that deduction is at a very low price (i.e., 8 Baht vs. normal food price of 10 - 20 Baht). Management insists on keeping the provision of food at a lower price for all workers. In general, 90% of workers eat at canteen. Implementation of a coupon system was discussed with management in order to ensure that workers who did not take food do not need to pay for it. However, factory stated it would be an additional cost for factory to implement coupon system, due to lack of resources, and because there is a small amount of workers who do not take canteen food. PC staff suggested factory conduct a survey with all workers to ask them their opinions of the deduction on days they do not take the subsidized meal from factory.	Further investigation required.		Survey to be conducted by factory, factory to further monitor results by May 2005 and inform PC accordingly.	Management discussion, physical observation
		PC's conducted payroll audit in February 2005; a similar finding was cited as a factory noncompliance. Factory has been asked to update and verify that payroll and attendance records are accurate and updated consistently.	31-Mar-05		New payroll format clearly specifies the in times and out times. This software has been used since February 2005.	Document review
		Factory to review pay slip and cross check attendance records for all workers. Fail-safe system to be implemented. HR staff must cross check all payments and ensure consistency of pay.	31-Mar-05		New payroll format clearly specifies the in times and out times. Factory has set up a new payroll system to ensure that the amount of money is correctly specified.	Document review
		Please see details of corrective action to be taken by factory above.	31-Mar-05		New payroll format clearly specifies the in times and out times.	Document review
		Please see details of corrective action to be taken by factory above.	28-Feb-05		Since February 2005, new payroll system has been used; PCs find that this system is reliable.	Document review

Remediation						
Best Practice	PC Internal Audit Findings (Optional)	Company Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 4, 2005)	Documentation
		PC staff conducted labor audit in 2004, and found that workers are not required to present medical certificate if they do not take sick leave for more than 3 days, as prescribed by law. Worker interviews confirmed this finding. However, there was a policy in place that worker can swap between using leave and maintaining year-end bonus. Factory has not communicated clearly to all workers their leave and benefits. Please refer to above explanation in regards to this issue. Factory was able to show evidence that there were cases when workers took sick leave without submitting doctor certificate and got paid.	31-Mar-05		Factory has educated workers, and informed them of their vacation benefits.	Document review
		PC internal audit at this facility also indicated non-transparency of payroll. Warning letter has been issued to factory for rectification. Payroll and attendance records must be matched and software must be updated.	28-Feb-05		Since February 2005, new payroll system has been used; PC finds that this system is reliable.	Document review
		PCs conducted labor audits and worker interviews. It has never been observed that factory made any deductions for broken ID cards. However, factory management has admitted to PCs that they had the policy in the past, which is no longer in existence now; they have removed announcement. In the future, PCs suggest this type of finding should not be cited as "Monetary fines for poor performance," as this is unrelated to performance. Factory to remove and delete written regulation regarding this monetary fine.	January-05		The sign has been removed and this policy no longer exists.	Document review, physical inspection
		PCs staff discussed with management, and it was outlined that workers have a choice between swapping leave for year-end bonus. From PCs' review of leave process and worker interviews, found that workers not required to present medical certificate if they take no more than 3 days sick leave. Also, PCs have suggested management posts announcement for all workers to clarify leave policy, and includes it in worker training. Announcement includes policy that worker has choice to use leave to maintain year-end bonus.	March-05		Factory posted announcement for all workers, stating they can choose to use their personal leave time throughout year or retain their personal leave time to receive year-end bonus.	Document review, physical inspection
		PC staff conducted audit early in 2005 and similar finding appeared to be a serious noncompliance. A warning letter has been issued and an internal action plan in place to inform factory that there is a zero tolerance with double bookkeeping. Factory to ensure all documents are transparent and clearly indicate all hours worked. All payment must be reviewed and paid retroactively where there was any underpay.	By end of February 2005, factory required to complete update of software to show all in-out cards. Ongoing monitoring is required.		Since February 2005, new payroll system has been used. PC finds that this system is reliable and identifies all working hours (including Sunday work, if any).	Document review
		The details of this finding mentioned above.	February-05	Ongoing investigation is required.	Since February 2005, new payroll system has been used. PC finds that this system is reliable, as there is linkage between attendance records, payroll calculation, and pay slips.	Document review
		Compliance staff recommends factory posts information on wage calculation and trains workers on wage calculation method which reflects new payroll system, so all workers understand them and are themselves able to calculate and check the wages they are entitled to.	February-05	Ongoing investigation is required.	Factory has posted information on how to calculate wage. PC has suggested to revise the announcement to be more clear and include normal rate calculation as well as overtime calculation. Factory has noted this point and will implement accordingly.	Document review

Updates		Updates		Updates	
Company Follow Up (July 7, 2005)	Documentation	Company Follow Up (August 30, 2005)	Documentation	Company Follow Up (July 18, 2007)	Documentation
Completed and Ongoing: Factory trains management and workers on code awareness on a regular basis (quarterly).	Worker interview, document review	Done and ongoing	Worker interview, document review	Completed and Ongoing: Factory maintains training records on code awareness provided by supervisors for workers on a regular basis.	Worker and management interviews, document review
Completed: Factory posts grievance policy and procedure together with management response to grievance notes from workers. For 1 suggestion box in corner of canteen, factory still requires proper posting procedure to be the same as another suggestion box in front of factory.	Visual inspection, observation	New Finding: PC conducted interview with a worker and found there are some workers who were verbally abused by HR staff for asking questions about their benefits. This has been addressed to management and specified in the action plan for factory to remediate.	Visual inspection, observation	Factory posts updated responses to grievance notes from workers. No evidence of complaints of verbal abuse. However, PC recommended factory ensure 2 persons (e.g., HR and worker rep) open suggestion box, to be in line with internal written procedure and maintain transparency.	Worker and management interviews, review of management response in May, physical inspection
No further findings. New residents at dorm still required to follow this rule. Worker interviews indicated there is no serious penalty for workers who come back later than 10:30pm. Factory aims to keep the record for security reasons only.	Worker interview	No further findings. Factory has already included rules and regulation in their company policy, and has explained them to all dorm residents.	Worker interview	Consistent implementation. Worker interviews indicated security guard is to take note for security reasons of those who come back later than 10:30pm. Yet, workers do not receive any penalties for returning after 10:30pm.	Worker interview, document review
No further findings. Worker interviews indicated that such communication channel is still being used.	Worker interviews	From the investigation, a worker experienced verbal abuse during peak production times. Management to develop a disciplinary practice as well as conduct follow-up training. Action must be taken against supervisors for abusive behavior.	Worker interviews	Factory conducted training on "Qualifications of Good Supervisors" August 30, 2005 to indirectly address verbal abuse problems. No evidence of policy violation and disciplinary action.	Worker and management interviews; review of training record and list of participants
No further findings.		No further findings.		Consistent implementation. Job board and worker application form no longer specifies gender, age or marital status of workers.	Management interview, document review

Updates		Updates		Updates	
Company Follow Up (July 7, 2005)	Documentation	Company Follow Up (August 30, 2005)	Documentation	Company Follow Up (July 18, 2007)	Documentation
From worker interviews, it's not found that female workers want to pay 20 Baht for cleaning costs; whereas none of the male interviewees minded paying factory cleaner 20 Baht for this service.	Worker interviews	No further findings.	Workers interview	Consistent implementation. Wage for male workers is deducted 20 Baht a month for dorm cleaning service.	Worker interview, payroll review

Updates		Updates		Updates	
Company Follow Up (July 7, 2005)	Documentation	Company Follow Up (August 30, 2005)	Documentation	Company Follow Up (July 18, 2007)	Documentation
a) Factory has revised fire drill/emergency action policy, but does not state responsible person for each duty. Also, it is not posted in each work area. Factory has agreed to review and to send to local labor bureau for certification by August 15, 2005. b) Completed. c) Fire extinguishers were installed in collar weaving completely. Factory hired fire extinguisher supplier to calculate and reinstall all fire extinguishers in factory to comply with local laws and standards. d) Done	a) Document inspection, observation, b) Physical inspection, c) Document review, physical inspection, d)	a) Completed, b) Pending - There are still exit doors that do not meet local safety regulations. PC has informed factory that ALL exit doors must open outwards and to replace sliding types. The surfaces on the inside and outside of some exit doors is not the same level; some exit doors do not have exit signs. Additionally, door must be at least 1.1 m wide. c) Completed, d) Completed	a) Document inspection, observation, b) Physical inspection, c) Document review, physical inspection. d)	a) Completed, b) Some exit doors still sliding type, but factory also has other emergency exit doors which open outward. Factory required to post signs that say "Slide" on all sliding doors. Last evacuation drill conducted August 24, 2005; the last worker (Building #1, floor #4) can get out of the building in 3 minutes (Thai regulation requires < 5 minutes). Next drill will be in September 2006. c) Completed, d) Completed	Record review; physical inspection; worker and manager interviews
a) Done, b) Done, c) All process is done. Factory is waiting for approval letter from Government (Factory submitted letter June 28, 2005). d) Done, e) Done, f) Done on a biannual basis (drinking test report result has reached acceptable standard) g) Done on monthly basis. Wastewater test result report now passes standard; BOD is at level 14, which is acceptable.	All items have been verified by: document review, physical inspection and observation	a) No further findings. b) Pending. Machine safety is still found as noncompliance by PC staff. There are substandard safety conditions where risk of personal injury not controlled by 2-hand operating switches. There are no guards at moving metal shaft of spreading machines. c) Pending. PC observed factory still does not completely follow local law on waste disposal. In regards to incinerator, in June, factory submitted request to Ministry of Industry Provincial Office to conduct the investigation before permit can be issued. Therefore, further investigation is required. d) No further findings. e) No further findings. f) No further findings. g) New Finding- August wastewater treatment result does not comply with PC standard. COD and TSS exceed PC standards.	All items have been verified by: document review, physical inspection and observation	a) Done, MSDS posted at storage and process areas. b) Peddler machine now guarded. Some sewing machines, yarn spinning and collar knitting machines are not adequately guarded. c) Factory allowed to use incinerator to burn only non-hazardous waste, factory follows this requirement, but still does not treat/dispose hazardous waste, which is stored for many months. d), e) No further findings. f) Last drinking water quality test was September 2005. Require factory to test drinking water every 6 months. g) Some parameters of monthly (January - May 2006) wastewater analysis results exceed standard. Require factory to evaluate performance of treatment plant and improve accordingly.	Records; observation; technician and safety officer interviews
a) Done, b) Done, c) Done, d) Done, e) Done		a) Done, b) Done, c) Done, d) Done, e) Done		a) Fire safety equipment is in place and regularly inspected by safety officer. b) - e) No further findings.	Observation, safety officer interview
a) Done. Training file should obtain, topics, content, photos, trainer and trainee registration form. Factory agrees to ensure all training materials will be consolidated and included in 1 file by next training. b) Done, c) Done.	Document review, physical inspection, observation	a) Done, b) Done, c) Done	Document review, physical inspection, observation	a) Done. Last hazardous waste management training (for dyeing department) was July 15, 2006. b) No further findings. c) Done. There is monthly chemical safety training for dyeing department.	Records, observation, worker interview
Done	Physical Inspection	Done, no further findings.	Physical Inspection	All workers wear proper PPE (gloves, earplugs, boots, etc.).	Observation
Done. Form is now more completed; Safety Officer has done accident investigation properly. PC recommended that details of additional training should also be included in the same file to prevent same incident in future.	Document review, physical inspection, observation	Done, no further findings.	Document review, physical inspection, observation	Accident records and investigations are in place. Safety Officer takes responsibility on this.	Records, worker interviews

Updates		Updates		Updates	
Company Follow Up (July 7, 2005)	Documentation	Company Follow Up (August 30, 2005)	Documentation	Company Follow Up (July 18, 2007)	Documentation
Done. Factory adds metal to support each staircase near the canteen area.	Physical Inspection	Done, no further findings.	Physical Inspection	Emergency staircases are still in proper condition.	Observation

Updates		Updates		Updates	
Company Follow Up (July 7, 2005)	Documentation	Company Follow Up (August 30, 2005)	Documentation	Company Follow Up (July 18, 2007)	Documentation
Done, no further findings.	Physical Inspection, observation	Done, no further findings.	Physical Inspection, observation	Meeting minutes have been posted on announcement board since election of new Welfare Committee in April 2006. But, PC recommended management conduct regular meetings with Welfare Committee, e.g., once a month, rather than every 3 months as stipulated by Labor Law.	Worker and management interviews; document review; physical inspection
PCs have reviewed meeting, which is updated and posted for information for all other workers in factory. Worker interviews confirmed factory has been running meetings on a regular basis.	Document review, physical inspection, worker interviews	Worker interviews indicated factory has informed them about benefits in orientation program, as well as in monthly meetings. In March, factory posted calculation method on notice board. Interviews indicated that workers are aware of their rights and benefits.	Document review, physical inspection, worker interviews	Worker interviews confirmed factory has been running meetings on a regular basis. Wage information is posted on announcement board.	Worker interviews, physical inspection
Announcement has been revised in form that is easy to understand. Worker interviews indicated that they know how to calculate their wages correctly for regular and overtime hours.	Physical observation, document review, worker interviews	No further findings. Factory has posted calculation method on the notice board.	Physical observation, document review, worker interviews	Consistent implementation. Wage information and calculation method on notice board on factory floors. Wages and benefits are communicated to new workers as part of orientation.	Physical inspection
Factory conducted a survey in every department on workers' satisfaction with lunch in factory on May 16, 2005. Results: satisfied = 72.10%, unsatisfied = 23.6%, no comment = 4.30%. As a result, factory decided to continue providing this benefit to majority of workers. According to PCs' worker interviews, most of them are satisfied with food subsidy in general. Currently, factory is also doing a survey for what type of food the majority of workers prefer. Moreover, PCs observed that both daily and monthly workers are given fruit after their lunch, which is a good practice.	Physical observation	PC staff observed that recently factory employs Muslim workers. This small number of workers does not eat lunch in canteen. As a result, factory has been asked to review the number of workers who do not use the canteen on a permanent basis and to make sure no deductions are made from their salary for this purpose. Factory has agreed to conduct survey and to ensure that workers who do not use canteen will not be deducted money.	Physical observation	Factory decided not to deduct Muslim workers' lunch fees since they don't eat at canteen due to dietary restrictions. There are 5 Muslim workers whose wages are not currently being deducted meals. HR staff interview indicated they know to not deduct wages for new Muslim workers. Worker interview indicated consistent implementation. In addition, number of outside food vendors has increased. PC staff observed many workers now prefer to eat outside of canteen. As a result, factory management has been encouraged to create system that makes deductions on individual basis by using swipe card system, and to document deductions on payroll.	Management and worker interviews; January - June 2006 payroll review; physical observation
Done, no further findings.		Done, no further findings.		Consistent implementation. Information of wages and benefits in payrolls, which clearly specifies in times and out times, is consistent with pay slips. Worker interviews indicated that they received the correct amount of wages stated in pay slip and payrolls.	Management and worker interviews; January - June 2006 payroll review
Done, no further findings.		Done, no further findings.		Consistent implementation, the same as above.	Management and worker interviews; January - June 2006 payroll review
				Consistent implementation. Payrolls clearly specify in times and out times, as well as applicable wage rates for overtime and holiday work. Management and worker interviews indicated no Sunday work.	Management and worker interviews; January - June 2006 payroll review
Done, No further findings. on this issue		Done, no further findings on this issue.		Consistent implementation, the same as above.	Management and worker interviews; January - June 2006 payroll review

Updates		Updates		Updates	
Company Follow Up (July 7, 2005)	Documentation	Company Follow Up (August 30, 2005)	Documentation	Company Follow Up (July 18, 2007)	Documentation
No further findings on this issue. Worker interviews indicated factory provides sick leave as required by law.	Worker interviews, document review	No further findings. Company states clearly that workers who take sick leave for less than 3 days will not be required to provide a doctor certificate and will not have wages deducted. PC staff has cross checked information on payroll.	Worker interview, document review	Consistent implementation. Factory pays wages to workers who take sick leave for less than 3 days, even when medical certificate is not submitted.	Management interview, sick leave request review; January -June 2006 payroll review
No further findings on this issue.		No further findings on this issue.		Consistent implementation. Payrolls clearly specify in times and out times, as well as applicable wage rates for overtime and holiday work.	Management and worker interviews; January - June 2006 payroll review
No further findings. No sign of this penalty is observed.	Visual inspection, observation, worker interview	No further findings.	Visual inspection, observation, worker interview	Consistent implementation. No evidence of deductions for broken ID cards.	Management interview; January - June 2006 payroll review
PC staff reviewed policy list. However, this notice is missing from front notice board. Factory agrees to ensure it's posted and to inform all workers continuously.	Physical observation, document review	No further findings.	Physical observation, document review	PC staff reviewed leave records and list of workers being compensated for untaken annual leave and year-end bonus. Implementation is consistent, as workers have choice to choose between swapping leave for year-end bonus. Implementation of swapping leave for year-end bonus only applies for "Annual Leave," and does not take into account sick leave. Workers still entitled to take sick leave and other forms of leave, such as pregnancy, as mandated by law, without financial deduction or in exchange of bonus.	Management and worker interviews; document review
Done. There was Sunday work in May 2005 for mechanic section; this is shown in time and payroll records.	Document inspection, worker interviews	No further findings.	Document inspection, worker interviews	Consistent implementation. Payrolls clearly specify in times and out times, as well as applicable wage rates for overtime and holiday work. Management and worker interviews indicated no Sunday work.	Management interview, January - June 2006 payroll review
No further findings.		No further findings.		Consistent implementation. Information of wages and benefits in payrolls, which clearly specifies in times and out times, and is consistent with pay slips. Worker interviews indicated that they received correct amount of wages, as stated in pay slip and payrolls.	Worker and management interviews; January - June 2006 payrolls review
No further findings.		No further findings.		Consistent implementation. Wage information and calculation method on notice board on factory floors. Wages and benefits are communicated to new workers as part of orientation.	Physical inspection

Updates		[Status]	Updates		[Status]	Updates			
Company Follow Up (March 19, 2007)		Documentation	Completed, Ongoing, Pending	Company Follow Up (September 20, 2007)		Documentation	Completed, Ongoing, Pending	Company Follow Up (August 14, 2008)	
No further findings.			Completed	No further findings.			Completed	Workplace Standards are posted on board. From worker interviews, they know main content of Workplace Standards.	
Completed and Ongoing. HR and worker representatives are responsible for opening suggestion boxes. Worker complaints are brought to and discussed in management-worker meetings. To ensure meeting consistency, factory agreed to submit meeting minutes to PC every 7th day of the following month, effective April 2007 onwards.		Worker and management interviews	Completed	No further findings.			Completed	Communication channels are Welfare Committee meeting and suggestion box. The grievance procedures are implemented.	
No further findings.			Completed	No further findings.			Completed	Consistent implementation. Security guard took records for safety reasons.	
No further findings. No evidence of use of demeaning language.		Worker interviews	Completed	No further findings.			Complete	The disciplinary rules are translated into Thai and Burmese language. From worker interviews, they are happy with supervisors.	
No further findings.			Completed	SEA field staff identified hiring of Burmese workers, starting in mid-2007. It was identified that factory needs to assume direct employment relationships with these migrant workers, including developing Burmese language contracts, Company Policy and exempt health check fee as part of requirement from SEA Employment Guidelines. By August, factory has agreed to follow up and submit the list of all Burmese workers who are employed.		Worker contracts; company policy; migrant worker interviews	Ongoing	There are approximately 100 Burmese workers in factory. Factory work rules, contract, policy, some procedures and some material safety data sheets (MSDS) are translated into Thai and Burmese languages. Factory has a list of Burmese workers and all required records, such as health check and yearly extension fees, which are required by Thai Government.	

Updates		[Status]	Updates		[Status]	Updates
Company Follow Up (March 19, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (September 20, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (August 14, 2008)
No further findings.		Completed	No further findings.		Completed	No difference in benefits provided for female and male workers.

Updates		[Status]	Updates		[Status]	Updates			
Company Follow Up (March 19, 2007)		Documentation	Completed, Ongoing, Pending	Company Follow Up (September 20, 2007)		Documentation	Completed, Ongoing, Pending	Company Follow Up (August 14, 2008)	
a) No further findings. b) All emergency exit doors are open outward type, but some regular exit doors are sliding doors. They have been signaled with "Slide" sign. Last evacuation drill conducted September 23, 2006, the last worker could get out of the building in less than 3 minutes (Thai regulation requires < 5 minutes). Next drill will be in April 2007. c), d) No further findings.		Record review, physical inspection, safety officer interview	Ongoing	a) No further findings. b) Factory has adjusted exit doors to comply with safety standards. Most recent fire drill show workers could get out of factory within legally required time frame. In mid-2007, factory enlarged most aisles to be at least 1.1 meters and expanded sewing lines to comply with adidas SEA Health and Safety Guidelines.		Physical inspection, fire drill record	Completed	In thread and finished good warehouse, there is only 1 fire extinguisher available. Factory shall follow regulation to install at least 1 extinguisher (6kg size) per 100 square meters of floor area.	
a) No further findings. b) Sewing machines in dyeing room still not adequately guarded. c) Factory under contract signing with waste processor for non-hazardous wastes disposal. Factory has already applied for hazardous wastes disposal permit and is awaiting for approval from Department of Industrial Works. d), e) No further findings. f) Factory now conducts drinking water quality analysis every 6 months, last test was September 18, 2006 and results meet standards. g) Some parameters of wastewater discharge analysis results (November 2006 - January 2007) still exceed standard. Factory has hired consultant to improve treatment plant. Within next 6 months, treatment units are expected to be improved in order for results to meet standards.		Records; observation; factory owner, technician, and safety officer interviews	Ongoing	a) Completed. MSDS have been posted. b) Completed. Factory installed needle guard. c) Completed. Factory has contacted waste processing company to obtain permit. Next waste disposal permit will be ineffective by December 2007, when waste processing company conducts new round of collection. d) Factory has contracted a third party to collect waste and obtain permits. f) Drinking water is analyzed, g) Pending. Since mid-2007, factory has engaged a consultant to improve the water treatment results. Regular tests have been conducted every 3 months, the results are still not satisfactory. SEA is monitoring results closely and will determine in November to take enforcement action on water results if still not up to legal standard and still fail the test.		Document review, physical inspection	Pending on the last item.	a) Some MSDS have no Thai and Burmese translations, i.e., "Sulphuric Acid and Pitchrun PU-252s" which are used by Thai and Burmese workers. Factory shall review the availability of the MSDS and translate them into languages spoken by workers. b) Completed, c) Completed, d) Completed, g) Completed. Wastewater results passed Thai law accepted limit. f) Drinking water results are out of spec, which is "fail" for "Coliform," but there is no correction and corrective action. Factory shall re-inspect drinking water and report to SEA department.	
a) Fire extinguishers at dormitory are not inspected regularly. b) - e) No further findings.		Observation, safety officer interview	Ongoing	a) No further findings. Factory has appointed Safety Officer to conduct internal audit to ensure Fire Safety equipment is in place.		Internal audit checklist.		a) Found wrong storage of gas cylinders. Factory representative shall chain these cylinders. b) Fire exit doors from 2nd to 3rd floor are obstructed with materials when opened. Factory shall review and clear walkway to be empty at all times. c) There are 2 stairways that have no handrails. Factory shall install handrails if there are more than 4 steps.	
a) There are waste segregation and environmental knowledge trainings every month for all concerned workers. b) and c) No further findings.		Records, observation, safety officer interview	Completed	All: No further findings.				There are no further findings.	
All workers wear proper PPE (gloves, earplugs, boots, etc.).		Observation	Completed	No further findings.				At area of chemical spraying, no system to suck out chemical air. Factory should install machine to suck contaminated air out of working area.	
There are 2 accident cases in last 3 months, Safety Officer has conducted accident report and investigation.		Records, Safety Officer interview	Completed	No further findings.				Accident records and investigations are in place for 2 accidents within 2008.	

Updates		[Status]	Updates		[Status]	Updates
Company Follow Up (March 19, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (September 20, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (August 14, 2008)
No further findings.	Physical Inspection	Completed	No further findings.			In dormitory, no fire alarms on floors 2-4. Factory shall re-install fire alarms. The fire exit has to open outwards. Factory shall amend and make sure that all fire exits open outwards.

Updates		[Status]	Updates		[Status]	Updates
Company Follow Up (March 19, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (September 20, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (August 14, 2008)
Partially implemented. Meetings between management and worker representatives are conducted irregularly, and sometimes minutes were not taken. Factory agreed to submit meeting minutes to PC every 7th date of the following month, effective April 2007 onwards.	Worker and management interviews, document review	Pending	Meeting minutes are now in place. However, this year, factory started to employ Burmese workers as part of workforce. SEA has recommended factory to include election of Burmese workers as part of Welfare Committee, so workers have a worker representative. Factory has agreed to include this as part of next election towards the end of this year.	List of workers committee	Pending	As per latest record of Welfare Committee election on April 30, 2008, there are no Burmese representatives involved in committee. Factory shall make sure to set quota for Burmese worker representatives to participate in this Welfare Committee.
No further findings. Announcement of minimum wage increase and OT calculation is posted on notice board.	Visual inspection	Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	No further findings.		Completed	No further findings.
Factory makes a voluntary and individual deduction for canteen fees. For those who live in factory-owned dormitory and take 3 meals/day, they are charged 350 Baht/month. For those who live outside and take lunch in canteen only, they are charged 200 Baht/month. This system was clearly communicated to workers during orientation and in a written announcement posted on notice board in late 2006. The deduction is documented in payroll.	Worker and management interviews, announcement review; January - March 2007 payroll review	Completed	No further findings.		Completed	There are no further findings. Food preparation area is clean and hygienic.
No further findings.		Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	No further findings.		Completed	No further findings.

Updates		[Status]	Updates		[Status]	Updates
Company Follow Up (March 19, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (September 20, 2007)	Documentation	Completed, Ongoing, Pending	Company Follow Up (August 14, 2008)
No further findings.		Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	No further findings.		Completed	No further findings.
No further findings.		Completed	adidas field staff observed from most recent visit in July that factory does not provide annual leave to new workers during first year of service. Rather, this benefit starts being calculated from second year of service on a pro-rata basis. This contradicts with legal interpretation received from Ministry of Labor by adidas SEA team. All annual leave must start being calculated from first year of service, accumulate, and then taken in second year. Factory has agreed to revise this policy to comply with adidas standards by end of August 2007.	Company policy review, management discussion	Pending	After they fully work 1 year, workers can use holidays accumulated, taking them in second year.
No further findings.		Completed	No further findings.		Complete	No further findings.
No further findings.		Completed	No further findings.		Complete	Found that monthly staff (working in either office or in factory) with salary more than 8100 Baht/month will get flat OT rate, which is 20 Baht per hour. This calculation practice is against Thai Labor law. Factory shall review OT compensation calculation to conform with Thai Labor Law, Section 61.
No further findings.		Completed	No further findings.		Complete	No further findings.

	[Status]	Updates		[Status]	
Documentation	Completed, Ongoing, Pending	Company Follow Up (April 9, 2009)		Documentation	Completed, Ongoing, Pending
Worker interviews, records	Completed	Orientation training will be provided for all workers. Policies and Workplace Standards are posted on factory board.	On-site observation, document review	Completed	
Document review, record review, worker interviews	Completed	Welfare Committee was elected May 3, 2008, the team is comprised of 8 people. This team will be valid until May 2, 2010. Meetings are scheduled quarterly; however, starting in 2009, meetings have been held monthly. Meeting records are kept centrally.	Document review	Completed	
Record review, worker interview	Completed	Consistent implementation.	Dormitory policy review, worker interviews	Completed	
Worker interviews, on-site observation	Completed	There is a disciplinary system in factory. Warning system is used.	Document and record review; worker interviews	Completed	
Record review, worker interviews	Ongoing	Contract, work rules, wages calculation procedures and MSDS have been translated into Burmese language. Burmese workers' health records are reviewed and kept by HR department.	Document review, worker interview	Completed	

	[Status]	Updates		[Status]
Documentation	Completed, Ongoing, Pending	Company Follow Up (April 9, 2009)		Documentation
	Completed, Ongoing, Pending			Completed, Ongoing, Pending
Payroll records, worker interviews	Completed	Benefits are paid according to skills and job tasks.	Document review, worker interview	Completed

	[Status]	Updates		[Status]
Documentation	Completed, Ongoing, Pending	Company Follow Up (April 9, 2009)		Documentation
				Completed, Ongoing, Pending
On-site observation	Pending	Layout was displayed on board. All safety equipment was found in working area. 6kg fire extinguisher installed in warehouse area. Safety officer is responsible for maintaining safety equipment.	On-site observation, record review	Completed
Record review, on-site observation	Pending	1) MSDS have been translated into Thai and Burmese languages. 2) Drinking water and wastewater test records now in compliance with Thai Government requirements.	On-site observation, record review	Completed
On-site observation	Pending	a) Gas cylinders were properly chained. b) The overall walkways, including 2nd floor, were clear with no obstruction. c) Handrails were installed in the production buildings.	On-site observation, record review	Completed
On-site observation	Completed	No further findings.	On-site observation, record review	Completed
On-site observation	Pending	Extraction air machines have been installed. Training has been provided to workers on how to use extraction machines.	On-site observation, record review	Completed
Record review	Completed	No further findings.	Record review	Completed

	[Status]	Updates		[Status]
Documentation	Completed, Ongoing, Pending	Company Follow Up (April 9, 2009)		Documentation
	Completed, Ongoing, Pending			Completed, Ongoing, Pending
On-site observation	Pending	Fire alarms are installed on floors 2-4. Fire exit can be opened outwards. There are monthly maintenance records available.	On-site observation, record review	Completed

	[Status]	Updates		[Status]
Documentation	Completed, Ongoing, Pending	Company Follow Up (April 9, 2009)		Documentation
				Completed, Ongoing, Pending
Record review	Pending	Welfare Committee is comprised of 8 people, with 1 Burmese representative. Factory is lacking grievance training for Welfare Committee members as well as supervisors.	Record review, worker interviews	Pending
Payroll records	Completed	No further findings.	Payroll records	Completed
Payroll records	Completed	Factory has clear policies.	Payroll records, notice board	Completed
On-site observation	Completed	There are no further findings.	On-site observation	Completed
Payroll records	Completed	No further findings.	Document and record review; worker interviews	Completed
Payroll records	Completed	No further findings.	Payroll records/pay slip and time attendance review	Completed
Payroll records	Completed	No further findings.	Payroll records/time attendance record review	Completed
Payroll record review	Completed	All compensation records are well maintained and accurate.	Payroll records/pay slip and time attendance review	Completed

	[Status]	Updates		[Status]	
Documentation	Completed, Ongoing, Pending	Company Follow Up (April 9, 2009)		Documentation	Completed, Ongoing, Pending
Document review	Completed	No further findings.		Document review	Completed
Payroll record review	Completed	Factory has accurate payroll record, which can be linked to time attendance record.		Document and record review	Completed
Payroll record review, worker interviews	Completed	There is no monetary fine deduction; factory will use disciplinary system instead.		Payroll record review, worker interviews	Completed
Document review; Management and worker interviews	Completed	No further findings.		Document review, worker interview	Completed
Payroll record review	Completed	Overtime will be requested to supervisor with factory form. Approval for overtime is done on a daily basis.		Document and record review	Completed
Payroll record review	Pending	Factory has restructured organizational chart, reviewed job descriptions and reviewed overtime procedure. Now, overtime is paid according to actual *1.5 times of wages.		Payroll record/document review, worker interviews	Completed
	Completed	Overtime calculation policy is in the orientation training as well as posted on boards.		On-site observation, document check, worker interviews	Completed