

FLA Audit Profile		Company Note: In 2004 Reebok created and delivered a remediation plan to this factory in order to address the issues found during the original IEM visit. Yet, in April 2005, this facility was deactivated by Reebok's sourcing units due to production and human rights related issues. As a result, Reebok's Human Rights Team was unable to ensure a successful completion of the remediation plan.	
Country	Vietnam	Vietnam	
Factory name	12008477C	12008477C	
IEM	Global Standards	Global Standards	
Date(s) in facility	October 21-22, 2004	June 9, 2006	
PC(s)	Reebok International, Ltd.	Reebok International, Ltd.	
Number of workers	600		
Product(s)	Shirts		
Production processes	Cutting, Stitching, Embroidery, Laundry		

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings				Remediation					[Status]	Updates		Third-Party Verification		Company Verification Follow Up		
			Monitor's Findings: Noncompliance or Indicator	Documentation (if Finding Corroborated/Verified Via Multiple Sources, List All)	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Required Documentation	Factory Response (Optional)	Documentation Submitted	Completed, Pending, Ongoing	Company Follow Up and Verification Efforts	Documentation	External Verification (June 9, 2006)	Documentation	Company Follow Up (Cite Date of Planned or Follow-up Visit, if Appropriate)		
<b>1. Code Awareness</b>																			
Workers/management awareness of Code		<b>FLA Principle of Monitoring, Obligation of Companies:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about workplace standards orally and through 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.	<b>NC Code awareness is low.</b> PC has posted code but has not ensured that factory communicated standards to workers.	Visual inspection, Worker interviews, Mgt interviews, Documentation			Factory must (a) distribute a brochure with Reebok COC to all employees to communicate factory policies directly to workers and (b) conduct ongoing training for new and existing employees on COC.	2/28/2005	Factory to submit (a) copies of brochure with Reebok COC and (b) schedule of trainings for all employees.		Factory submitted (b) schedule of trainings for all employees.	Pending	Reebok's monitor visited the factory on 02.24.05 and found that factory will distribute brochures with Reebok COC by end of April 2005. Moreover, factory workers are becoming more aware of Reebok COC through trainings. This was verified by interviews with workers and management.	Schedule of trainings.	Factory has stopped producing Reebok products since July 2005. No further communication provided.	Management interview			
Confidential Noncompliance reporting channel		<b>FLA Principle 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.	<b>Best practice.</b> PC has posted contacts for workers to communicate directly and securely to PC compliance representative. However worker awareness and understanding is low.	Visual inspection, Worker interviews, Mgt interviews			PC posted contacts for workers directly and securely to PC												
<b>2. Forced Labor</b>																			
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																			
<b>3. Child Labor</b>																			
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																			
<b>4. Harassment or Abuse</b>																			
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																			
Disciplinary Practices	Article 85.1.c of Labor Code: Dismissal shall be applied as a disciplinary measure only in the following circumstances: An employee who has been absent for a total of five days per month or 20 days per year without legitimate reasons.	Employers will utilize consistent written disciplinary practices that are applied fairly among all workers.	<b>NC</b> Inconsistent discipline practiced contrary to code and local law. Disciplines are applied for infractions, not written down in company rules and/or inconsistent with company rules and law. I.e., under Labor Code article 85, workers absent without leave 5 days in 1 month are subject to dismissal. At this facility, workers AWOL for 3 days are dismissed.	Worker and Mgt interviews + docs. In 2 cases workers made to sign warning letters in Korean dated May 21 and Mar 23, 2004. 2 cases w/ no violation specified (June 7 and Apr 13, 1004). 2 cases of discipline for OT refusal (Nov 11, 2003 and Aug 2, 2004). [Employee name] given 1st warning letter for first being late Sept 3, 2004. 2nd warning letter for absence Aug 9, 2004. 3rd warning letter for being late Aug 27, 2004 and dismissed Sept 3.			Factory to (a) identify cases inconsistent with local law and communicate an apology both verbally and in writing to workers and (b) develop an appropriate penalty for managers and/or supervisors under which infractions occurred.	2/28/2005	Factory to submit (a) letter of written apology and (b) copies of revised policy with penalties for managers/ supervisors.		Factory submits (b) copies of revised policy with the following clauses: workers who sign up for overtime, but do not use it, may get a verbal warning, penalties for managers/supervisors.	Completed	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to be in compliance with local law and RHRPS. Moreover, no new instances of inconsistent disciplinary measures were present at those times. This was verified in separate meetings with workers and management.	Handbook	No improvement. Workers dismissed in breach of factory's labor regulations: April 3, 2006, 1 worker dismissed due to "being personal affairs during working time," which was defined as a "non-serious" violation. On the same day, another worker was dismissed due to being warned 3 times for 3 different violations.	Record review			
Training of Management in Disciplinary Practices	Article 83.2 of Labor code: the internal labor regulations must be notified to each employee and the main rules must be posted at the required places within the enterprise.	Employers will provide training to managers and supervisors in appropriate disciplinary practices.	<b>NC</b> Factory has not provided adequate training to managers and supervisors on discipline.	Worker and Mgt interviews. Lack of records and documentation of training on H&A for Mgt and Supervisors.			Factory to (a) identify training gaps, develop a plan in consultation with human resource expert and (b) deliver training on a consistent basis to all managers.	2/28/2005	Factory to submit (a) training plan and schedule (b) photos of employee training.		Factory submits (a) training plan and schedule (b) photos of employee training.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory is delivering trainings to all factory managers in accordance to plan. This was verified in separate meetings with workers and management.	Training plan	No improvement. The factory's training plan does not include training on discipline to managers and supervisors. Training is reported to be included in training on grievance channels, however no documentation was available to verify.	Record review			
Disciplinary Action: Punishment of Abusive Supervisors/Manager	Article 87 of Labor Code and Article 11 of Decree No.41/CP dated 6 July 1995: A record on the proceedings concerning disciplinary action shall be made.	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.	<b>nd</b> Although factory has experienced some H&A issues in the past and claims to have system to disciplined managers. Mgt practice is to resolve such cases in private, oral discussion w/ no records or documentation maintained, creating risk of continued abuse.	Mgt interviews. No records or documentation available for review.			Factory must maintain written records of disciplinary measures taken. Factory to (a) develop a system of maintaining records of all oral discussions on H&S cases while maintaining confidentiality and (b) appoint an individual accountable for maintaining records.	2/24/2006	Factory to submit (a) a plan for reporting harassment cases and (b) name of individual accountable.		Factory has revised its tracking system for grievance procedures which have been on record since 2004.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found factory continues to be in compliance with local law and RHRPS. Moreover, no new instances of H&A were present at those times. This was verified in separate meetings with workers and management.	Harassment reporting plan	Verified. Factory's policy dated December 26, 2005 included H&A reporting procedures and disciplinary measures for violations. Trainings were conducted from Feb 20-25, 2006.	Record review			

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Verbal abuse	Article 6.3 of Labor Code: An employer shall have obligation to respect their honor and dignity and to treat employees properly. Article 7.3 of Decree No.41/CP dated 6 Jul 1995: All acts offending either the body or the dignity of workers in course of application of disciplinary measures are prohibited.	Employers will prohibit screaming, threatening, or demeaning verbal language.	and Shouting and verbal abuse by managers is reported to be common. However, workers have not made formal complaints or grievances. No record of specific policy training conducted for Mgt and supervisors on this topic nor discipline procedures for violators.	Worker interviews. No record of specific policy training conducted for Mgt and supervisors on this topic nor discipline procedures for violators.	Workers report verbal abuse in interviews with monitors. Monitor could not verify in the absence of supporting documents without putting workers at risk.		Factory must (a) prohibit demeaning, harassing and abusing all workers and (b) provide periodic training workshops to managers and supervisors on factory's non-harassment policy. This training will also include instructions for appropriate disciplinary measures.	2/28/2005	Factory to submit (a) copy of non-harassment policy and (b) copy of training schedule.	Since 2003, factory has posted its non-harassment policy on the production floor.	Factory (a) copy of non-harassment policy and (b) photos of the supervisor training.	Completed	Reebok's monitor visited the factory on 02.24.05 and found factory continues to be in compliance with local law and RHRPS. Moreover, no new instances of rest break violations were present at those times. This was verified in separate meetings with workers and management.	As stated	Verified. The factory's policy dated December 26, 2005 included H&A reporting procedures and disciplinary measures for violations. Trainings were conducted from Feb 20-25, 2006.	Record review			
Other		Suggestion Boxes and Grievance System	and Factory has suggestion box system; however there is no record of response to workers' suggestion letters. Factory lacks adequate process/procedures to insure functional grievance system.	Records review, Mgt interviews	Risk of Noncompliance issues exists.		Factory must maintain written records of responses to suggestion letters. Factory to (a) develop a system of maintaining records of all oral and written grievance issues while maintaining confidentiality and (b) Factory to appoint an individual accountable for enforcement.	2/28/2005	Factory to submit (a) a plan for tracking grievance cases and (b) name of individual accountable for enforcement.	The factory has revised its tracking system for grievance procedure. The factory has kept grievance records since 2004.	Factory submitted (a) revised tracking system for grievance procedures and (b) (Employee name) is the individual accountable for enforcement.	Completed	Reebok's monitor visited the factory on 02.24.05 and found worker grievances documented through tracking system. Moreover, no new instances of worker complaints were present at those times. This was verified in separate meetings with workers and management.	Grievance procedure tracking system.	Verified. The factory has a system to track and handle grievances. A team has been established to investigate and respond to workers' complaints.	Record review			
<b>5. Nondiscrimination</b>																			
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.																			
<b>6. Health and Safety</b>																			
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	Joint Circular No. 14/1996/TLT/STY-BLD/BNH-TL/DVN dated 31 Oct 1996, instructing the implementation of labor protection in enterprises and business premises.	Employer will comply with applicable health and safety laws and regulations. In any case where laws and codes of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	NC No permits for air compressors as required by law.	Visual inspection and document review			Factory must comply with all applicable laws and regulations regarding working conditions, including electrical and mechanical safety. Factory must maintain on the premises its government license or certificate of operations and the records of health and safety inspections carried out by governmental bodies.	2/28/2005	Factory to submit copy of permit for air compressors.		Factory submitted copies of permit for air compressors.	Completed	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to be in compliance with local law and RHRPS. Moreover, no new instances of non-compliance with electrical and mechanical safety were present at those times. This was verified by documentation review and visual inspection.	Government permit	Verified. 8 sets of air compressors have been inspected on December 20, 2004.	Record review			
Evacuation Procedure	Article 102 of labor code, Circular No.09/LDTBXH/TT dated 11 Apr 1995 and Circular No.23/LDTBXH/TT dated 19 Sept 1995. When recruiting or placing the employees, the employer must base on health standards stipulated for each type of work, and provide the workers with training, guidance, and information on regulations and measures relating to occupational and hygiene, and on the possible accidents which may occur for each particular job for arising from work of each worker and measures for its prevention.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/levels, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	NC No OSH training. Factory has conducted fire evacuation drills and first aid training, but no OSH training for workers.	Mgt. and supervisor interviews, worker interviews. No OSH training records available for review.			Factory must provide all production workers, during orientation and ongoing training, instruction in general factory safety and in the safe operation of their machines. Factory to (a) develop policies and procedures for OSH training for all production workers and (b) deliver training to all production workers.	2/28/2005	Factory to submit (a) copies of policies and procedures for OSH training and (b) training plan for all production workers.	The worker handbook which includes occupational safety and health information is developed.	Factory submitted (a) copy of worker handbook with policies and procedures for OSH training and (b) training plan for all production workers.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to be in compliance with local law and RHRPS. Moreover, no new instances of non-OSH training were present at those times. This was verified by documentation review.	Worker Handbook	Verified. The factory has a detailed training plan and conducts trainings according to the plan.	Record review			
Chemical Management	Circular No. 23/2003/TT-BLD/BNH of Nov 3, 2003 prescribing and guiding the procedures for registration and expertise of assorted machinery, equipment, supplies and substances subject to strict requirements on labor safety and labor sanitation	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.	NC No MSDS posted in local language for some chemicals at place of use. Factory has MSDS for all chemicals but failed to post relevant safety information, inform and train workers in washing and embroidery sections.	Visual inspection and document review, Mgt interview			Factory must maintain a current list of MSDS in the local language of workers. Factory to (a) post MSDS in local language in washing and embroidery sections. Factory must train workers to read and understand MSDS. Factory to (b) develop training plan to deliver training to workers in washing and embroidery sections on an ongoing basis.	2/24/2005	Factory to submit (a) pictures of MSDS in local language posted and (b) copy of training schedule.		Factory submitted (a) photos of MSDS posted in local language in areas where chemicals are used and (b) copy of annual 2005 training plan.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to provide training to workers on MSDS training to all workers. Moreover, no new instances of non-MSDS postings were present at the time. This was verified by visual inspection.	Annual training plan.	Verified. MSDS are posted in English and Vietnamese. A training was conducted on May 28, 2005.	Record review and visual inspection			

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Machinery Maintenance	Article 98.1 of labor code: the employer must ensure that machinery, equipment, workshops and storehouse are checked and repaired periodically in accordance with occupational safety and hygiene standards.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	NC No maintenance records and procedures available for boilers or air compressors.	Visual inspection and document review			Factory must inspect and service production machinery on a regularly scheduled basis as determined by the manufacturer's requirements. Factory to (a) develop policies and procedures for machine safety checks and (b) appoint an individual accountable for enforcement.	2/28/2005	Factory to submit (a) copies of policies and procedures for machine safety checks and (b) name of individual accountable for enforcement.	Since Nov. 29, 2004 the factory has conducted daily inspections as per factory records.	Factory submitted (a) copies of policies and procedures for machine safety checks and (b) [Employee name], Maintenance Officer, is individual accountable for enforcement.	Completed	Reebok's monitor visited the factory on 02.24.05 and found factory continues to inspect and service production machinery. Moreover, no new instances of non-maintenance of production machinery were present at the time. This was verified by documentation review and visual inspection.	Policies and procedures for machine safety checks.	Improved but not completed. Daily maintenance records were kept for all compressors and boilers. However the records are not complete and fail to identify machines by serial number or their location for further maintenance.	Record review	
Worker Participation	Join Circular No. 14/1998/TTLT/ BYT- BLDTBXH- TLDDVN dated 31 Oct 1998, instructing the implementation of labor protection in enterprises and business premises.	Workers should be involved in planning for safety, including through worker safety committees.	NC No functional worker safety committee. Factory recently launched safety committee but not held or documented any meetings.	Visual inspection and document review, Mgt interview			Factory must (a) initiate a safety committee comprised of both supervisors and workers who inspect safety conditions on a regularly scheduled basis and recommend improvements and (b) Factory to develop policies and procedures for documented meetings.	2/28/2005	Factory to submit (a) structure and membership names of committee members and (b) policies and procedures for documented meetings.	Factory has issued decision on restructuring of the Environment Safety and Health committee on Dec. 1, 2004. The ESH committee will be held on a quarterly basis. The most recent meeting was held on Dec. 15, 2004.	Factory submitted (a) structure and names of committee members and (b) copies of policies and procedures for documented meetings.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found factory continues to inspect and service production machinery. Moreover, no new instances of non-maintenance of production machinery were present at the time. This was verified by documentation review and visual inspection.	Policies and procedures for documented meetings.	Improved but not completed. The factory has re-established ESH committee on March 15, 2006, however no meeting or activity has been held since establishment. Management pledges to hold regular meetings before the end of the year.	Record review	
<b>7. Freedom of Association and Collective Bargaining</b>																	
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																	
Union as the Bargaining Agent	Article 45.3 of labor code: A collective agreement shall only be signed if the negotiated contents of such agreement are approved by more than 50 percent of members on the labor collective in the enterprise.	In any case where the industrial relations system specifies certain unions as the exclusive bargaining agent, employers will not be required to engage in collective bargaining with other worker groups or organizations on matters covered by the collective agreement.	Ind Union has been formed in accordance with local law and practice. CBA was signed recently. However workers have very little involvement in union.	Union and Mgt. interview			The factory should educate workers on CBA and Freedom of Association principle as well as ensure workers involvement in union delegates. The factory should review the responsibility of the union president and make necessary adjustment.	2/28/2005	Factory to submit (a) union restructuring plan (b) copies of documented meetings and trainings.	Meeting with trade union conducted Dec. 25, 2004. CBA provided to all worker representatives (supervisors and group leaders) and all of trade union committee. Factory shall provide time budget of union president and records on all union activities to demonstrate involvement of union president and other 12 committees.	Factory submitted (a) union restructuring plan and (b) agenda for scheduled meetings and trainings.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory will begin delivering trainings in May 05. This was verified by documentation review and visual inspection.	Union restructuring plan.	No change. Trade Union participation is minimal and no new elections have been held. The CBA has not been updated with new wages and terms in keeping with new laws and regulations.	Record review	
Other	Chapter V of labor code Art. 49.1 of labor code: on taking effect, the CBA must be brought by the employer to notice of all workers in the enterprise.		Ind Issues relating to establishment of Union and CBA: Union election held in 2004, elected union leader from among 20 candidates. Union leader is Deputy Factory Manager of Factory 6 and a former District Union Official. All candidates in election and all delegates voting in election were line leaders, supervisors or managers. Regular line workers not directly involved in process. CBA signed recently, (October 2004), following standard Government form. However, workers do not know about CBA and have not seen draft or final version. There was no negotiation process, no collecting of opinions from workers, and no worker involvement in process. Union leader complains he has too much work and no time for union activities. Union has not yet held general meeting with workers to introduce union leader, explain union role and activities, explain CBA, etc.	Union and Mgt. interview			Factory to ensure workers are free to meet and discuss workplace issues in the factory during their breaks and before and after work. Factory to assist scheduling regular meetings in consultation with union representatives to review roles and responsibilities.	3/31/2005	Factory to submit (a) union restructuring plan and (b) copies of documented meetings and trainings.	The meeting with trade union was conducted on Dec. 25, 2004. CBA was provided to all worker representatives (supervisors and group leaders) and all of trade union committee. The factory shall provide time budget of the union president and records on all union activities to demonstrate the involvement of the union president and other 12 committees.	Factory submitted (a) union restructuring plan and (b) agenda for scheduled meetings and trainings.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory will begin delivering trainings in May 05. This was verified by documentation review and visual inspection.	Union restructuring plan.	No change. Trade Union participation is minimal and no new elections have been held. The CBA has not been updated with new wages and terms in keeping with new laws and regulations.	Record review	
<b>8. Wages and Benefits</b>																	
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.																	

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<b>9. Hours of Work</b>																		
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.																		
Negative Incentives		Negative incentives or punitive actions will not be used to induce overtime in excess of code standards.	Ind Discipline imposed for refusing OT. In at least 2 cases reviewed, workers received discipline letters for refusal to work OT. (Employee name) dated Nov 13, 2005. Worker (Employee name) dated Aug 2, 2006. Signed by factory Manager, Labor Union Delegate and HR rep.	Documents and worker interviews. Mgt explains that they apply discipline to workers who sign up, then refuse to work OT for breaking their pledge to work OT. Unclear how much pressure is applied to workers to sign up for OT or if they know they can refuse OT without repercussions.	Mgt maintains workers are punished for breaking OT sign-up pledge but sign up may be under pressure/coerced. Monitor unable to investigate further without putting workers at risk.			Negative incentives or punitive actions must not be used to induce overtime. Factory to (a) issue an apology to workers both orally and in writing and (b) factory to develop an appropriate penalty for supervisors and managers involved.	2/28/2005	Factory to submit copies of (a) letter of apology to workers and (b) policies and procedures for penalties against supervisors and managers.	The finding was inaccurate. The 2 cases were those who signed up for overtime but did not work it. Instead the workers got a warning.	Factory submitted (b) policies and procedures of penalties.	Completed	Reebok's monitor visited the factory on 02.24.05 and found that the factory implements policies and procedures of penalties. Moreover, no new instances of negative incentives to induce overtime were present at the time. This was verified by documentation review and interviews with management.	Policies and procedures of penalties.	Verified. Policies improved and no punitive actions found for refusing OT.	Record review	
Overtime Limitations	Labor Code, Article 69: An employer and an employee may agree on additional working hours provided that number of additional hours worked is no more than 4 hours a day or 200 hours annually, except in a number of special cases where number of additional hours worked is no more than 300 hours annually as stipulated by Government after consulting Vietnam General Confederation of Labor and representatives of employers. Labor Code, Article 72: In every week, each employee shall be entitled to a break of at least 1 day (24 consecutive hours).	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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	NC OT exceeded code and legal limits in many instances. In April 04, all workers reviewed exceeded OT limits, working from 60.5-67 hrs for 1-3 weeks. In Aug 04 over half of workers reviewed exceeded OT limits up to 66.5 hrs/week. Some workers exceeded OT limits in May and June.	Documents, worker and Mgt interviews.		Factory to (a) develop a policy that indicates working hours of 60 hours or less per week, including overtime; develop a plan to organize production to meet working hour limits. (b) Factory to develop policies and procedures to enforce overtime policy by appointing an individual to be accountable for tracking all hours worked.	2/28/2005	Factory to submit copies of (a) copies of working hours policies, (b) evidence that policy is communicated to workers both orally and in writing and (c) policies and procedures of enforcing overtime and name of individual accountable for tracking overtime hours.	Factory has posted OT policy on the bulletin board and also conducts such training to 5 factory managers on Nov. 10, 2004.	Factory submitted (a) copies of working hours policies, (b) photos of worker and manager trainings, (c) plan to plan to control working hour limits and (d) Factory assigns (Employee name) to observe the tracking of overtime hours.	Completed	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to implement working hours within 60 hours per week. Moreover, no new instances of overtime limitations were present at the time. This was verified by documentation review and worker interviews.	As stated.	Verified. The factory has a written policy on working hours. Training was conducted on Jan 21, 2006.	Record review			
Overtime Limitations	Labor Code, Article 69: An employer and an employee may agree on additional working hours provided that number of additional hours worked is no more than 4 hours a day or 200 hours annually, except in a number of special cases where number of additional hours worked is no more than 300 hours annually as stipulated by Government after consulting Vietnam General Confederation of Labor and representatives of employers. Labor Code, Article 72: In every week, each employee shall be entitled to a break of at least 1 day (24 consecutive hours).	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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	NC Workers worked Sundays without 1 day off in 7 in violation of code and legal limits. In April 04, all workers reviewed worked 1-2 Sundays. In May and Aug 04 almost all workers reviewed worked 1-2 Sundays.	Documents, worker and Mgt interviews.		Factory must ensure that the worker is entitled to at least 1 day off in every 7-day period. Factory to (a) compensate workers for all days worked and provide additional rest days and (b) Factory must regularly communicate, both orally and in writing, with all employees including supervisors and managers on factory's working hours and rest day policies. Any supervisor who does not notify management beforehand about Sunday work will receive written warnings.	2/28/2005	Factory to submit (a) copies of payroll records and (b) policies and procedures for communicating working hours.		Factory submitted (a) copies of payroll records and (b) annual training plan schedule for 2005.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to provide at least one day off in a week. Moreover, no new instances of overtime limitations were present at the time. This was verified by documentation review and worker interviews.	Annual training plan.	Verified. The factory has a written policy on working hours. Training was conducted on Jan 21, 2006.	Record review			
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	NC Factory has not put in place an effective system to insure OT is Voluntary. Mgt requires workers to apply for leave permit to refuse OT and leave factory necessitating at least 3 signatures from line leader, supervisor and factory manager plus gate pass from HR dept.	Voluntary OT and leave. Documents and interviews with supervisors, workers, HR and management		Factory to (1) eliminate leave permit, (2) improve the procedure to implement voluntary OT policy, (3) indicate conditions under which workers can exercise their rights without negative consequences, (4) post the policy and procedure on production floors, and communicate it to all employees and (5) submit a plan to provide trainings for supervisors and managers on the voluntary overtime policy and exercise disciplinary methods to those who prevent workers from taking the right of voluntary OT.	2/28/2005	Factory to submit (a) proof of removal of leave permit, (b) policies and procedures for improving voluntary OT policy, (c) evidence of posted policy and procedures and (d) training plan.		Factory submitted (a) elimination of leave permit, (b) policies and procedures for improving OT, (c) evidence of posted policy and procedures and (d) training schedule for 2005.	Ongoing	Reebok's monitor visited the factory on 02.24.05 and found that the factory continues to implement voluntary OT policy. Moreover, no new leave permits were present at the time. This was verified by documentation review and visual inspection.	Training plan.	Verified. The factory has a clear written policy on working hours. Training was conducted on Jan 21, 2006.	Record review			
<b>10. Overtime Compensation</b>																		
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, at those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																		
<b>Miscellaneous</b>																		