

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]", etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA IEM Profile	
Country	China
Factory name	01001523B
IEM	BVCPS (HK), Shen Zhen Office
Date of audit	May 20-22, 2003
PC(s)	Adidas-Salomon
Number of workers	243
Product(s)	Scarf, cap, gloves, beanies and headbands
Production processes	Sewing, cutting, packing, embroidery, die-cutting
Other brands in factory	

FLA Code/ Compliance issue	Legal Reference / Country Law	Findings				PC Internal Audit Findings (Optional)	Remediation				
		FLA Benchmark	Monitor's Findings	Documentation	Best Practice		PC remediation plan	Target Completion Date	Factory response (Optional)	PC Follow Up (Cite date of follow up)	Documentation
1. Code Awareness											
2. Forced Labor											
3. Child Labor											
4. Harassment or Abuse											
5. Nondiscrimination											
Other		FLA Code, Non discrimination: 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.	The factory only hired workers who were 18 years old or above. However, some processes in the factory (e.g. sewing) were non-hazardous and juvenile workers can handle it. That means juvenile workers (aged between 16 and 18) were discriminated during recruitment.	Factory regulation	Nil		Factory management has already amended the recruitment requirements/regulations according to the Adidas SOE standards, and based on advice provided by the IEM during the audit.	April 2003			Updated factory regulations reviewed by adidas SEA staff.
6. Health and Safety											
Document Maintenance and Accessibility		FLA Benchmark, Health and Safety: 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	1. National and local laws were not posted.	Nil	Nil		Relevant HS&E national laws and labor laws are now posted in the factory.	June 2003			Factory notice boards viewed by SEA staff.
Document Maintenance and Accessibility		FLA Benchmark, Health and Safety: 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	2. No procedure for dealing with first aid was posted in workshop.	Nil	Nil		Emergency procedure is posted beside first aid boxes.	May 2003			Inside of factory production areas inspected.
Sanitation in Facilities		FLA Benchmark, Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	3. No supplies of soap, toilet paper or drying hands facility was available in toilets.	Nil	Nil		Provided as advised.	April 2003			Inside of factory production areas inspected.
7. Freedom of Association and Collective Bargaining											

FLA Code/ Compliance issue	Findings					PC Internal Audit Findings (Optional)	Remediation				
	Legal Reference / Country Law	FLA Benchmark	Monitor's Findings	Documentation	Best Practice		PC remediation plan	Target Completion Date	Factory response (Optional)	PC Follow Up (Cite date of follow up)	Documentation
8. Wages and Benefits											
Lack of legal benefits	Country Law: According to Article 73 of the Labor Law of the People's Republic of China: Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:(1) retirements;(2) illness or injury;(3) disability caused by work-related injury or occupational disease;(4) unemployment; and(5) child-bearing. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers are entitled to, must be timely paid in full.		Out of 243 employees, only 170 participated in Pension, Industrial Injury and Unemployment insurance. No one participated in Medical or Maternity insurance. No official testimonial was sought from the local social insurance authority to confirm the above coverage of social insurance.	Payment evidence of social insurance	Nil		Among 243 employees, 170 employees are long-term workers and 73 are temporary workers. Factory will also provide temporary workers with insurance as required by law from middle of September 2003.	15 September 2003			Documentation will be kept on site - to be reviewed by SEA staff. Follow-up visit scheduled for start of 2nd quarter 2004.
9. Hours of Work											
Lack of one day off in seven	Country Law: According to Article 38 of the Labor Law of the People's Republic of China: Employing units shall make sure that the laborers can rest for at least one day each week.		5 sample workers were drawn from April to Sept 2002. In April, they worked 13 days without a rest day; in May, they worked 13 days without a rest day; in June, they worked 20 days without a rest day; in July, they worked 31 days without a rest day; in August, they worked 31 days without a rest day; in Sept, they worked 13 days without a rest day in a week.	time cards of Apr-Sep 2002	Nil		Factory has already reduced working hours. From October last year until now, workers have been given one day off in seven days.	October 2002			Time cards from October 2002 reviewed by SEA staff.
Overtime	Country Law: According to Article 41 of the Labor Law of the People's Republic of China: Under the precondition that the physical health of laborers is ensured, overtime shall not exceed 3 hours a day and 36 hours in a month.		The overtime hours were as long as 4 to 5 hours a day and from 56 hours to 182.5 hours per month during Apr to Sep 2002.	time cards of Apr-Sep 2002	Nil		Factory has applied the comprehensive working hour permit system, and controls have been implemented to better manage the working hours. adidas SEA will continue to monitor the working hours closely. Additionally, adidas has established, as part of its SOE strategy and project planning for 2003, a Working Hours Task Force with the mission of researching root causes of, and then formulating strategies for minimizing, excessive working hours.	Ongoing			Re: comprehensive working hours system, time cards from December 2002 reviewed for compliance with comprehensive working hours system provisions.
10. Overtime Compensation											
Incorrect wage rate for OT	Country Law: According to Article 44 of the Labor Law of the People's Republic of China : In any of the following cases, employing units shall pay laborers wages higher than their wages during the normal working time according to the following standards: (1) Payment of a wage remuneration of no less than 150% of the wages, if the extended working time of laborers is assigned; (2) Payment of a wage remuneration of no less than 200% of the wages, if the laborers are made to work during rest days and cannot make up the lost rest; (3) Payment of a wage remuneration of no less than 300% of the wages, if the laborers are made to work on statutory holidays.		The rest-day overtime hours at night from Apr to Sep 2002 were paid at 150% of normal wages only.	payrolls and time cards from Apr to Sep 2002	Nil		Factory has reviewed over time rates and has been paying the correct rates to workers since 15 December 2002.	15 December 2002			Time cards and payroll from October 2002 reviewed by SEA staff.