

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

What is a Tracking Chart?

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

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

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

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

- A pass or fail evaluation

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

- A one-time event

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

Note on Language

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

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

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

Instructions for Printing

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

FLA Audit Profile	
Country	Korea
Factory name	01004930E
IEM	Global Standards
Date(s) in facility	Oct. 10, 2006
PC(s)	adidas AG
Number of workers	50
Product(s)	Apparel
Production processes	Cutting-sewing-inspection-packing

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings				Remediation				(Status)	Updates (Cite Date of Follow up)		Updates (Cite Date of Follow up)		(Status)	Third-Party Verification		Company Verification Follow up		
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncomborated)	Sources/Documentation used for corroborating	Feasible Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Remedial (Optional)		Company follow up (Cite date of follow up)	Documentation	Company Follow up (May 2007)	Documentation		Company Follow up (October 2007)	Documentation	Completed/ Pending/ Ongoing	External Verification (Date)	Documentation
1. Code Awareness																					
Code posting information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey these standards to Company factories as well as to licensees, contractors and suppliers.	The Code is not posted			Visual inspection		PC has established new workplace standards. Over the next few months, PC will communicate workplace standards to all existing suppliers. Currently, compliance team is creating communication protocols for suppliers and workers on new workplace standards content.	6/11/07		Workplace policy - factory has established its code of conduct policy.		On-going	Factory will be receiving 'open letter to workers' soon for workers to review. The open letter to worker provide[s] contact information for workers to use should they need to contact PC's compliance team, as well as information on the changes to the PC's workplace standards due to merge with other PC. In addition, a secondary letter was sent to the factory requiring factory management to provide verbal training to workers on code.		Factory received 'open letter to workers/workplace' and posted in the factory. Factory's SoE coordinator attended 'supplier meeting' held by SEA team on 11th Sept. SEA team provided introduction to 'workplace standards' and guidelines on how to introduce new guidelines and open letter to workers. SoE coordinator provided verbal training to workers accordingly.		Training record	Completed		
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 only 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.	Workers are not aware of the Code			Worker interview		Factory management to provide verbal training to all workers on PC code of conduct and factory internal regulations. Training should be provided during new employee training, as well as ongoing for existing employees. 2. Factory management to document copy of trainings to all employees on internal regulations and PC code of conduct.	12/4/06		Factory provided training and posted Code of Conduct.		Completed and on-going								
2. Forced Labor																					
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or																					
3. Child Labor																					
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.																					
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 or abuse.																					
Sexual Harassment		Employers will provide training to managers and supervisors in appropriate disciplinary practices.		No sexual harassment training provided		Records review and worker interviews		1) Factory should implement a clear policy which prohibits sexual harassment or abuse of any kind. 2) All employees should be provided training by supervisors throughout the year to set out the factory's expectations in relation to treatment of workers. The management's implementation must be documented and used as the basis of training. In addition, where any instances of harassment are verified, management must ensure to implement the appropriate disciplinary procedures on any worker, manager, or supervisor who is found guilty of harassment or abuse.	12/4/06		Per factory training record and policy - factory provided sexual harassment training.		Completed and on-going	1-2) All workers and management received sexual harassment training. SoE coordinator will provide training continuously.		Training record and management interview					
5. 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.																					
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.																					
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.		No MSDS where chemicals are used and workers are not aware of them.		Visual inspection and worker interview		1) All chemicals stored must have correct MSDS. 2) MSDS must be prominently posted in the storage area in language spoken by workers. 3) Per PC standards, all workers responsible for handling chemicals must be trained biannually on chemical management.	12/11/06		1) Per documentation review, factory management posted MSDS where chemicals are used. 2) Factory management provided chemical management training to workers in chemical area.		Completed								
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.		Some aisles are hardly passable and the stairway contains flammable items.		Visual inspection		1) Factory should maintain all aisles clear from the obstruction. 2) Conduct daily regular inspections to ensure all aisles are free from obstruction at all times, and train workers accordingly.	12/11/06				Completed and on-going	1) Factory moved out to new building which has more space than old building and has enough space for materials so factory is able to maintain all aisles clear from any obstruction. 2) SoE coordinator provides training to workers and regular inspections are conducted by supervisors in the factory at all times. 3) Chemicals are stored outside of the production area separately.		Visual inspection and record					
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.		Access to a couple of fire extinguishers blocked by various materials. The first aid kits need to be restocked in the sewing room on the 4th floor and no first aid kit is located in the cutting room on the 3rd floor.		Visual inspection and worker interview		1) Clear the access to fire extinguishers from any obstruction and conduct regular inspection/checking on all fire extinguishers to ensure that they are undisturbed at all times. 2) Workers to be trained on importance of easy and clear access to extinguishers. 3) Factory should provide first aid kits in all work areas. 4) First aid kits must be placed in strategic places and free from obstruction. 5) Provide signs at the locations of first aid kits to make them easy to be seen/identified.	12/4/06		3) Factory provided first aid kits in place.		Completed	1) After moving to new building, factory has improved the extinguishers location in order ensure that they are free from obstruction. Factory is also conducting regular inspections for all fire extinguishers. 2) Workers have been receiving extinguishers management training from SoE coordinator. 3-4-5) First aid kits have been placed in the office desk of each department with inspection tag and list of contents which include the expiration date of each medicine. 6. First aid kits are clearly marked in order for workers to easily have access to them.		Visual inspection and record					

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings Evidence of Non-compliance (uncomplemented)	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	Remediation		Documentation	Status	Updates (Cite Date of Follow up)		Updates (Cite Date of Follow up)		Status	Third-Party Verification		Company Verification Follow up		
								Target Completion Date	Factory Response (Optional)			Company Follow up (Cite date of follow up)	Documentation	Company Follow up (Cite Date of October 2007)	Documentation		Completed/ Pending/ On-going	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation
PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent irritant exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Masks are available but not in use. Iron gloves not provided.			Visual inspection and worker interview		1) Factory should provide appropriate PPE- iron gloves in cutting area. 2) Workers must be trained on how to use/wear the PPE correctly.	12/4/06		Factory provided iron gloves and PPE usage training. Factory management must continue to provide training to workers who require PPE use.	Completed and ongoing									
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.	Chemicals are stored in the bathroom and labeled in English.			Visual inspection		1) Chemicals should be stored outside of working place and required below items in the chemical storage room: - warning signs clearly recognizable - adequate ventilation required - secondary containment for hazardous liquids against ground and water - durable and legible labels at containers - appropriate water supply within 30 meters for eye or body cleaning. 2) All chemicals should be labeled in local language.	3/31/07		Factory will set up chemical storage outside of working place.	Completed	1-2) Chemicals have been stored outside of production area and have the following items: - warning signs clearly recognizable - adequate ventilation - secondary containment for hazardous liquids against ground and water - durable and legible labels at containers - all chemicals are labeled in local language.	Visual inspection							
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	No ventilation system for chemicals			Visual inspection		Factory should provide appropriate ventilation system for chemicals.	3/31/07		Factory will set up chemical storage outside of working place.	Completed	Factory provided appropriate ventilation system for chemical's storage area.	Visual inspection							
7. Freedom of Association and Collective Bargaining																					
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																					
Other			Worker management joint committee is not functioning properly.			Records review and worker interviews		The factory must develop its own systems of direct contact, and improve communication with workers. Institute systems which do this, such as worker committees, newsletters or magazines to which workers contribute, monthly meetings with management, etc.			Per minutes of meetings, factory has established worker management joint committee and will have a meeting quarterly.	Completed and on-going					On-going				
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 of the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.																					
Minimum Wage		Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	Some workers were paid below legal minimum wage.			Records review and management interview		1) All workers must be paid the basic minimum wage according to the law based on the local minimum wage. 2) This includes permanent workers, probationary workers, any trainees and workers on piece rates.	1/15/07		All workers will be paid over minimum wage through labor contract for 2007.	On-going	1-2) All workers began to receive the basic minimum wage in April. Those workers who previously did not receive the minimum wage, will be given retroactive payment for the difference between their former wages and the minimum wage. Factory management has committed to complete these payments within two months.	Pay-slip review	All workers are paid over minimum wage. However, some workers who did not receive minimum wage, didn't get retroactive payment yet. Factory management has promised to complete this by November.	Pay-slip review	Pending				
Other						Factory provides meals to workers. Annual prize															
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		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.	Workers work over 60 hrs in the peak season (however, maximum found was only at 62 hours).			Records review and management interview		1) Factory manager and supervisors should be conducted (in) training in the relevant labor law provisions and the ad hoc requirements in relation to the 60-hour work week. 2) Factory manager should devise a proper weekly/monthly work schedule in order not to [go] over 60 hrs a week even in the peak season.	9/30/07		1) Factory management has committed not to make workers work over 60 hrs in peak season and devise order-taking volume based on capable capacity. -2) SEA Team will continue to monitor this issue in order to ensure that workers' hours of work do not exceed the 60 hour limit.	On-going	1) Site coordinator received labor law training by SEA manager. 2) Factory manager has a plan to expand the production line within this year in order to not exceed 60 hrs a week in the peak season. Found no record of workers working over 60 hrs a week.		No overtime work has been worked in factory since volume for local orders have decreased.	On-going					
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.																					
Miscellaneous																					