

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	China
Facility name	390015513E
IEM	Global Standards
Date(s) in facility	January 2-4, 2007
PC(s)	Twins Enterprise, Inc.
Number of workers	3851
Product(s)	Caps
Production processes	Cutting, Sewing, Embroidery, Packing

FLA Coder/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings			PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Remediation			Documentation	[Status] Completed: Pending: On-going	Updates (Cite Date of Follow up)	Documentation	Third-Party Verification		Company Verification Follow up	
					Evidence of Non-compliance (un corroborated)	If not corroborated explain why	Sources/Documentation used for corroborating				Notable Features implemented by facility Management or Company	Facility Response (Optional)	Company follow up (Cite date of follow up)					Documentation	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)
3 Code Awareness																					
Confidential non-compliance reporting channel		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 facility management on non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	No CoC of TWINS provided to the factory. TWINS has never told the factory any issues about CoC.					Visual inspection, management interview, worker interview	The Twins Enterprise CoC has been sent to the factory. They will post the CoC in the local language and educate supervisors and workers on the meaning of these standards.	6/15/2007											
2 Forced Labor																					
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or																					
Employment Terms		Employment terms shall be those to which the worker has voluntarily agreed.	Contract Article 2.3. The factory can rearrange workers posts according to actual needs of production or operation and workers performance and capability without amending the contracts.					Records review	The factory will review the terms and conditions that employees agreed to when hired and will adhere to these conditions.	6/15/2007											
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																					
Legal compliance for juvenile workers	Special protection for juvenile workers. Article 9. Adequate registration system for the recruitment and special protection of juvenile workers. (1) The working units should make registration in local labor bureaus whose authority is above county level. The labor bureaus issues "registration certificate of juvenile workers" according to "physical examination papers of juvenile workers" and "registration of juvenile workers". (3) Juvenile workers should have "registration certificate of juvenile workers" for working.	Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.	No registration and working certificates for juvenile workers. The management interviewed explained that they applied for the registration and working certificates every year, but local government did not provide the factory with a permit (appears to be bureaucratic problem).					Records review, management interview	The factory will follow-up with the local government to acquire the certificates that they applied for.	6/15/2007											
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.																					
Other			The factory doesn't have a policy for termination/retraining for operational purposes.					Records review, management interview	Factory must create a policy for termination/retraining for operational purposes.	6/15/2007											
			In cases where the disciplinary process results in termination, no policy provides workers with an opportunity to reply, challenge or make appeals against the termination.					Records review, management interview	Factory must create a policy for which provides workers and opportunity to make an appeal.	6/15/2007											
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.																					
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 for the cleaning solvent.					Visual inspection, document review	Factory will review the procedure for utilizing MSDS for all employees who come in contact with cleaning solvents.	6/15/2007											
PPE	Health & safety regulation #74. Factory must provide appropriate personal protective equipment.	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.	Some of the worker does not use relevant PPE during production.					Visual inspection	Factory will monitor all employees to ensure the use of PPE in all areas of the factory in which it is applicable. Additional training with applicable employees will also be administered.	6/15/2007											
Chemical Management	Health & safety regulation #62. Machinery should have clear Chinese label on container.	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 Chinese labeling at some of the chemicals used by workers.					Visual inspection	The factory will respect all solvents used and ensure proper labels are displayed and not removed.	6/15/2007											
Ventilation/Electrical/facility maintenance	Fire safety law regulation 41 and 45. All electrical wire, junction boxes and appliances must be connected safe.	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.	Some of the electrical wires and junction boxes are poor and unsafely connected inside the workshop.					Visual inspection	The factory will conduct an inspection of all electrical wires and junction boxes and make a list of those that need to be replaced. Once list is compiled, they will begin replacing the wiring.	6/15/2007											
Machinery Maintenance	Industrial safety regulation #32. Machinery should have protective cover or guard for protection.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Not properly use the machine guard and protective cover.					Visual inspection.	All employees will be retrained on how to utilize protective materials at all machines.	6/15/2007											

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				Status	Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up		
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated explain why	Sources/Documentatio n used for corroborating	Notable Features implemented by facility Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Facility Response (Optional)		Company follow up (Cite date of follow up)	Documentation	Completed, Pending, On-going	Company Follow up	Documentation	External Verification (Date)	Documentation
7. Freedom of Association and Collective Bargaining																				
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																				
Freedom of Association: FLA Comment		<p>FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (AFCFU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms.</p> <p>The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contract Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-registered administrative agreements.</p>																		
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.			1/2 piece rate workers	There are detailed wage calculation methods in workers' handbook. The factory also provides trainings to new workers on workers' handbook.	Records review, management interview, workers interview		The factory will review the workers handbook with the 1/2 piece rate workers to ensure their understanding of how their wages are calculated.	6/15/2007										
Legal benefits	Article 72, PRC Labor Code, the sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practiced step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.	Employers will provide all legally mandated benefits to all eligible workers.	The factory only buys social insurance for 1300 out of 4000 employees. The management interviewed explained that the government adopted new policies that insurance fee cannot be transferred to other cities, and workers can only withdraw their own part of the fee. So, many workers do not want to buy social insurance.				Records review, management interview, workers interview		The factory will review the new policies to ensure they are in compliance.	6/15/2007										
Payment of wages	Temporary regulation for wage payment Article 9 Laborers and labor contracts with working units as per law, working units should pay all wages to laborers for one time at the time contracts end. Shenzhen wage payment regulation Article 13 If laborers' receive payment every month, working units should pay all wages for one time to laborers within 3 working days since the end date of contracts.	Legally mandated bonuses (e.g. 13th month payments) and severance payments will be paid in full and in a timely manner.	Even workers who apply for resignation one month in advance, as required by the contracts, will not receive their last pay until the fixed pay day.				Records review, management interview, worker interview		The factory will ensure that all employees receive pay for all wages when their contract ends.	6/15/2007										
Other	China employees files management regulation #7, 10 and 18, All relevant employees records must be kept by employer, it cannot be destroyed without any special reason. #9, including the wages information. China Guangdong wage regulation #16, all wages information must be kept at least 2 years.		The factory only keeps the records of terminated/retrained employees for 1 year.				Records review, management interview		The factory will keep all wage information for 2 years on-site.	6/15/2007										

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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																				
Other	According to Article 41 PRC Labor Code, The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and labourers, but the extended working hours per day shall generally not exceed one hour. If such extension is needed for special reasons, under the condition that the health of labourers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours. According to Regulations about Employee Work Time by the State Government - May 1, 1997, Article's Employees shall work 40 hours per week, overtime is not to exceed 36 hours per month.	Contract Article 3.1. The factory adopts a system of working time which is not in compliance with the China law, the contract states that workers can work up to 60 hours a week including OT (this is CoC not China Law).			Records review		The factory will review China law which states, "All employees work eight hours per day and generally no more than 44 hours per week." They will adhere to the China law regarding employee working hours.	6/15/2007												
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																				