

*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
IEM	Verite
Factory Code	10011551A
Date of audit	4/26/2001
PC(s)	Phillips Van Heusen
Number of workers	1600
Product(s)	Apparel

FLA Code/ Compliance issue	Findings			Best Practice per PC	Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation		PC remediation plan	Completion Date	Documentation
<b>1. Code Awareness</b>							
Posting laws	FLA Principles of Monitoring, Obligations of Companies: B. Create an informed Workplace: Ensure that all Company factories as well as contractors and suppliers inform their employees about 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.	The auditors reported that the national and local laws were not posted in the factory.		Factory management has developed and implemented a handbook that has been distributed to all employees outlining local laws, etc. Employees are provided this manual upon hiring.	PVH immediately engaged factory management to post all relevant national and local laws.	During the follow up visit, (performed on March 4,2002) conducted by PVH compliance officers, the laws had been posted.	Auditors verified this improvement through review of the handbook, observation of the posted local laws and of the handbook and through confidential interviews.
<b>2. Forced Labor/Prison Labor</b>							
		The auditors found no evidence of prison labor, forced labor, or workers working under any debt or bond.					
<b>3. Child Labor</b>							
Inadequate age documentation	Under Chinese labor law, an employer cannot hire workers under the age of 16. FLA Child Labor Benchmark: Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	According to the PVH Code of Conduct, "Vendors must observe all legal requirements for work of authorized minors, particularly those pertaining to hours of work, wages, minimum education and working conditions". In their review of personnel files at the factory, the auditors found that [a few] workers were 15 years old when hired. [A few other] additional workers were under 16 at the time of their hire in 1999 and 2000. [A few of the abovementioned] workers did not have identification card on file at the time of the audit. The management reported that, at present, they collect a copy of the worker's identification card at the time of hiring. The auditors were able to confirm management's account.			PVH immediately engaged factory management and they established a suitable corrective action plan. The management reported that from that time onwards, they collect and maintain on file a copy of the worker's identification card, which is required at the time of hiring.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, our auditors confirmed that there was no child labor found in this factory. Authorized minor workers have had a health check and age verification procedure has been in place.	Auditors verified this issue through review of personnel files and associated documentation, in addition to confidential workers' interviews.

FLA Code/ Compliance issue	Findings			Best Practice per PC	Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation		PC remediation plan	Completion Date	Documentation
Lack of protection of under-age workers	Chinese labor law stipulates that "laborers between the ages of 16 and 18 are referred to as 'authorized minor workers,'" and such workers are prohibited from engaging in certain work, including overtime. <b>FLA Child Labor Benchmark:</b> 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.	The auditors found that there are [some] workers [out of 1600] working at the factory between 16 and 18 years of age, and interviews with management and workers confirmed that these workers receive no special treatment.			PVH immediately engaged factory management to ensure all legal restrictions on authorized minors are observed and practiced in the factory.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, our auditors reported that there were no permits issued by the local government for these authorized minors. However, during the next follow up visit, (performed on March 4,2002) this issue had been corrected. Specific conditions for these authorized minors were in place. PVH conducted confidential interviews with a sample of the workforce and verified this improvement.	This issue had been verified through the review of relevant documentation, and confidential interviews.
<b>4. Harassment or Abuse</b>							
		None of the workers interviewed reported any instances of physical abuse, sexual abuse, verbal harassment or abuse, or psychological harassment at the factory.					
Freedom of Movement		The auditors reported no evidence that workers are ever physically barred from leaving the factory and or that workers' access to toilet facilities and drinking water is restricted in any way.					
<b>5. Nondiscrimination</b>							
		The auditors found no evidence of systematic discrimination in the areas of hiring, salary, benefits, advancement, discipline, termination or recruitment practices on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation or social or ethnic origin.					
Pregnancy Issues		The auditors found no evidence of female applicants or employees being asked about their pregnancy status or being required to take a pregnancy test.					
<b>6. Health and Safety</b>							

FLA Code/ Compliance issue	Findings			Best Practice per PC	Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation		PC remediation plan	Completion Date	Documentation
Fire Safety	FLA Health and Safety Benchmark: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	The auditors observed that there are no fire alarms in Building [X] [one of the various buildings of] the dormitory complex.			PVH immediately engaged factory management and they established a suitable corrective action plan to ensure a fire alarm was installed in all dormitory buildings.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors confirmed that fire alarms were installed in one of the buildings of the dorm complex. All other dormitory buildings had fire alarms.	This improvement was verified through observation and a trial of the alarm system.
Fire Safety	Place fire extinguishers in the dormitory complex at a height no greater than 150 centimeters from the floor, as per recommended by National Fire and Safety Regulations. FLA Health and Safety Benchmark: Employer will comply with all applicable health and safety laws and regulations.	The auditors observed that the fire extinguishers in the dormitory complex are above the recommended height.			PVH immediately engaged factory management and they established a suitable corrective action plan for adjusting the height of the fire extinguishers.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors confirmed that fire extinguishers have been adjusted to the recommended height.	This improvement was verified through observation.
PPE	FLA Health and Safety Benchmark: 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 substances.	The auditors observed that the noise level next to the Electronic Automatic Embroidery Machine measures 83 decibels and that, in this work areas, the workers wear earplugs. However, on the fourth floor of Building [X] where the noise level measures between 83 and 89 decibels, the workers do not wear earplugs.			PVH immediately engaged factory management and they established a suitable corrective action plan. Workers were educated on the need to wear earplugs.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that employees had been supplied with the earplugs, however further education was needed to ensure their proper use. Further education on their use and associated benefits was confirmed by PVH on the follow up visit.	This improvement was verified through workers' confidential interviews.
PPE	FLA Health and Safety Benchmark: 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 substances.	The management reported that the workers are provided with mesh gloves. However, the auditors observed that workers did not wear the mesh gloves when cutting materials.			PVH immediately discussed with factory management. However, factory management explained that since workers did not operate electrical cutter machines, mesh gloves were not necessary.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that this was not a non-compliance issue in the factory. Because employees at this factory did not operate electrical cutter machines and therefore mesh gloves were not necessary. Employees only use scissors.	
Emergency Evacuation	FLA Health and Safety Benchmark: 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.	The auditors observed that workers do not have sufficient workspace on the first floor of Building [X]. Clothing is piled beside their workstations, and these garments hinder the workers' easy access to production aisles.			PVH immediately engaged factory management and they established a suitable corrective action plan. PVH conducted extensive meetings with factory to advise them how to keep adequate space for workers in case of an emergency.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that production aisles were clear and free of obstruction. Management of the factory have taken PVH instruction and comments and have educated factory supervisors and workers continuously on this matter	This improvement was verified through observation.

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Emergency Evacuation	FLA Health and Safety Benchmark: 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.	The auditors observed that the work areas on the second floor of Building [X] are not all marked to indicate aisle space.			PVH immediately engaged factory management to establish a suitable corrective action plan to mark all areas in Building [X].	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that all aisles have been marked with yellow tape/paint.	This improvement was verified through observation.
Emergency Evacuation	FLA Health and Safety Benchmark: 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.	The auditors observed that the stairways of the factory complex are equipped with only one handrail.			PVH immediately engaged factory management and they established a suitable corrective action plan. Factory management explained that the reason that only one handrail was installed in the first place was because there was a wall on the opposite side.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that handrails have been installed in the wall side of the stairways.	
Machine guarding	FLA Health and Safety Benchmark: All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	The auditors observed that the fans on the [X] floor of Building [X] are not covered with wire mesh.			PVH immediately engaged factory management and they established a suitable corrective action plan to ensure that all fans on the fourth floor of Building [X] are covered with wire mesh.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that fans are protected with a wire mesh cover.	This improvement was verified through observation.
Accident/injuries		The auditors reported that there is at least one well-stocked and easily accessible first aid kit per 100 employees and that a sufficient number of employees are trained in first aid so that there is always someone present to provide emergency care in the event of accident or injury. There is one medical doctor on the regular staff of the factory. An accident log is properly maintained.					
Sanitation		The auditors reported an adequate number of toilets for both male and female workers, and found the toilet facilities to be functional, clean, stocked with toilet paper and hand soap, and to provide running water for washing hands. Safe drinking water was accessible to workers at all times. The cafeteria was clean and sanitary, and provided adequate seating for employees.					

FLA Code/ Compliance issue	Findings			Best Practice per PC	Remediation		
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Chemical safety		The auditors reported that all workers who work with chemicals are trained to handle, store, and dispose of these chemicals, and that the chemicals in use are properly labeled and stored.					
Working conditions		The auditors reported that the factory was adequately ventilated, and the factory air was free of chemical fumes and relatively free of dust. The temperature control was adequate. The lighting measured between 55 to 65 foot-candles throughout the factory -all within acceptable levels. The noise level measured between 70-80 decibels and was at acceptable levels in all areas of the factory with the exception of areas in the proximity of high-output machines where it measured between 83 and 89 decibels, which is a range above acceptable standards.					
<b>7. Freedom of Association and Collective Bargaining</b>							
Prevention of free association/ Awareness of rights	<i>FLA Comment: The Chinese Constitution guarantees Freedom of Association, but this right is subject to the interests of the State and the Communist Party. In a complaint considered by the ILO Committee on Freedom of Association (Case #2031), the Committee noted that while the government of China believes that its laws guarantee the rights of workers to form and join organizations of their own choosing, the Committee concluded that many provisions of the Trade Union Act were contrary to the fundamental principles of freedom of association. The Committee also recalled that it had concluded in two previous cases (#1652 and #1930) that the Trade Union Act prevented the establishment of trade union organizations independent of the Government and the Party.</i>	The management reported that there was a recognized union at the factory and that 10 to 15 percent of workers belong to a union. However, [some] workers interviewed did not know that there was a recognized union in the factory		Factory management has taken the initiative and has formed two independent groups, one is for all workers and one is primarily for the youth in the factory, even though formal unions are not recognized in China.	PVH immediately engaged factory management to establish a suitable corrective action plan to ensure proper information and understanding.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that workers have been informed.	This improvement was verified through workers' confidential interviews.

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	<i>It has traditionally seen its role as protecting the interests of the Party, the government, the employer and the worker. It has been government policy to promote collective bargaining since 1995, and by the end of 2000, some 240,000 agreements had already been registered with the Ministry of Labor and Social Security. Most of these agreements, however, were products of an administrative process rather than collective bargaining. Although the right to strike was removed from the Constitution in 1982, more than 100,000 strikes take place each year.</i>						
<b>8. Wages and Benefits</b>							
		In their analysis of payroll documents for March 2001, the auditors found no evidence of the factory paying any of its workers less than the legal minimum wage of 270 RMB (US\$ 32.69) and that no worker was paid less than the legal overtime rates for overtime hours. The workers interviewed confirmed auditor's account.					
Lack of legal benefits	Chinese labor law requires factories to provide 90 days of paid maternity leave to female employees. FLA Wages and Benefits Benchmark: Employers will provide all legally mandated benefits to all eligible workers.	The management reported that female employees do not receive paid maternity leave. The workers interviewed confirmed management's account.		Management implemented a system to provide all female workers with this benefit. Employees are required to provide management with their legal marriage certificate and need to inform management in the first 3 months of their pregnancy, and they will be entitled to the legal maternity leave of 3 months. In addition, training was provided to management and supervisors. The maternity leave procedure is included in the procedural manual.	PVH immediately engaged factory management to ensure that paid maternity leave is grant to all applicable employees.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that there was significant improvement on this issue. However, the application needs to specify the labor day and the return date. At the second follow up visit, performed on March 4,2002, PVH auditors verified the additions were made to the application.	This improvement was verified through workers' confidential interviews.
Production Quotas		The auditors reported that production quotas are not used at the factory.					



FLA Code/ Compliance issue	Findings			Best Practice per PC	Remediation		
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Workers unclear of wages and benefits		The auditors reported that workers punch a time clock to record their work hours, that workers reported being paid on time and that virtually all the workers interviewed understood how their wages are calculated.					
<b>9. Hours of Work</b>							
Best Practice: Reduction in Hours of Work				PVH worked closely with the factory over a one year period to implement an action plan that would bring hours of work down to legal requirements. The plan included establishing a yearly schedule for hours, increasing the workforce, improving workforce allocation, increasing wages to offset loss of OT wages, creating incentives, educating workers on the new system, cross-training workers and monitoring the program. The results saw a reduction in overtime hours, efficiency increased by 5%, earnings for workers increased by 10%, quality improved and sick leave was reduced.	PVH compliance officers continue to monitor the hours of work situation to ensure its continued effectiveness.		
<b>10. Overtime Compensation</b>							
Incorrect wage rate for OT	The basic overtime rate required by Chinese labor law is 150 percent of the normal rate on regular workdays, 200 percent on normal days off, and 300 percent on legal holidays. FLA Overtime Compensation Benchmark: The factory shall comply with applicable law for premium rates for overtime compensation.	The workers interviewed reported that workers in the hand knitting section regularly take work home after their eight-hour workday is completed. They are compensated for piecework done at home at regular rate and not according to the legally mandated overtime rates. The auditors' analysis of payroll records for March 2001 indicated that the factory did not pay overtime for homework done over a 40-hour workweek and on the weekends.			After an extensive discussion with factory owner and management, factory expressed to PVH that this practice of workers in hand-knitting section will not be allowed to bring work home.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors reported that factory has ceased the practice of homework in hand-knitting section.	This improvement was verified through workers' confidential interviews.

FLA Code/ Compliance issue	Findings			Best Practice per PC	Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation		PC remediation plan	Completion Date	Documentation
OT Rates	FLA Wages and Benefits Benchmark: Employers will communicate orally and in writing to all employees in the language of the workers the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	The auditors reported that the factory has written policies on hiring, regular and overtime hours, paid holidays, discipline and punishment procedures and policies on giving bonuses. However, the factory policies do not cover regular and overtime rates and the procedures for making and responding to a complaint of harassment or abuse.		Factory management has taken the initiative and has implemented the use of handbooks that are distributed to all employees outlining factory policies, procedures and practices as well as employees' benefits. Factory has also set up the use of confidential suggestion boxes so that employees are able to express their concerns and comments in a confidential manner. All concerns are reported to the GM.	PVH immediately engaged factory management and they established a suitable corrective action plan to ensure all factory policies are clearly posted and understood by all employees.	During the follow up visit, (performed on 9/28/01) conducted by PVH compliance officers, auditors confirmed that the factory had augmented their personnel policies to reflect regular and overtime rates and the procedures for making and responding to complaints of harassment and abuse.	This improvement was verified through review of documentation and workers' confidential interviews.