

*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.

<b>Factory Profile</b>	
<b>Country</b>	India
<b>Factory code</b>	06003233A
<b>Independent External Monitor</b>	Intertek Testing Services India Pvt Ltd.
<b>Date of monitoring visit</b>	26-Jul-02
<b>Duration of IEM Evaluation</b>	4 Days
<b>Participating Compan(ies)</b>	Levi Strauss & Co.
<b>Number of Workers</b>	615
<b>Product</b>	Woven Bottoms

		FINDINGS		REMEDIAION		REMEDIAION UPDATE
FLA Code	FLA Benchmarks/Legal Reference	Monitor's Findings	Date	PC CAP Action and Comments	PC comments	
<b>1. Code Awareness</b>						
<b>Code Awareness</b>	<b>In accordance with the FLA Principles of Monitoring:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the 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.	Although FLA work place code of conduct is displayed on the notice board and major work areas, the interviewed workers are not aware of the code standards.	30-Aug-02	All workers will be trained on FLA code of conduct, by end August 2002. Currently posters are displayed and a training session will be conducted.	The workers education program was completed for all employees and a handbook was given to all workers in local language on their entitlements. LS&Co. assessors were present during this activity	
<b>2. Forced Labor</b>						
<b>3. Child Labor</b>						
<b>4. Harassment or Abuse</b>						
<b>5. Nondiscrimination</b>						
<b>6. Health and Safety</b>						
<b>Medical Services</b>	<b>1. In accordance with factories act 1948, Chapter V, section 45 (4),</b> in every factory where in more than 500 workers are ordinarily employed there shall be provided an ambulance room of the prescribed size containing the prescribed equipment and in the charge of such medical and nursing staff as may be prescribed and facilities shall always be made readily available during the working hours of the factory. <b>Per FLA Benchmarks VB, Health and Benefits:</b> 1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	It was noted that the factory has not provided an ambulance room of the prescribed size containing prescribed equipment and medical and nursing staff.	9/15/2002, 10/10/02	The factory has a tie up with [...] Hospital which is very near to the factory, about a km away, which provides OP and IP treatment to workers for illness/injury at subsidized rates. Factory has its own vehicle arrangement to transport workers to hospital when in need. The factory has given the copy of the MoU [Memorandum of Understanding] to the Inspector of factories seeking exemption from establishing an ambulance room in the site.	An ambulance room has been constructed. The room has 4 beds with an examination table. A full time nurse has been appointed with two labor welfare officers (ladies), and a doctor visits the factory twice a week. The factory has a MOU with a hospital 1 km from the factory for treatment and emergencies. This was physically verified in October 2002.	
<b>Welfare officer</b>	<b>2. In accordance with factories act 1948, Chapter V, section 49,</b> in every factory where in 500 or more workers are ordinarily employed the occupier shall employ in the factory such number of welfare officers as may be prescribed. <b>Per FLA Benchmarks VB, Health and Benefits:</b> 1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	It was noted that the factory has not employed a welfare officer.	10-Oct-02	The factory had recruited two labor welfare officers. They had resigned and joined with other IT firms recently. Subsequently the factory has again made an offer to two other welfare officers. But there are two counselors in the factory working since 1999 as full time counselors who address issues on one to one bases related to personal problems, psychosocial etc.	Two welfare officers were hired on September 16th. This was verified by an actual visit to the factory on Oct. 10, 2002. TOE [compliance] manager of the PC met with them and confirms their awareness level and activities to ensure better level of compliance in all areas.	
<b>Best Practice: Health &amp; Safety Training</b>		The factory conducts periodical training on emergency preparedness, use of fire extinguishers, chemical handling and first aid training for all the employees. These kinds of training are conducted through internal and external faculty.				
<b>Best Practice: PPE Training/Awareness</b>		The factory emphasizes the importance of using personal protective equipment. Work place safety is brought out during training / awareness programme conducted by National Safety Council.				
<b>Best Practice: Worker Health &amp; Safety Committee</b>		Factory encourages workers to nominate their own team of representatives to form committee on health and safety. Issues related to health and safety are brought to the knowledge of the factory management. Regular meetings will be held to discuss the progress and implementation of corrective actions.				
<b>Best Practice: "Safety Week"</b>		Safety week is observed in the factory to create awareness towards minimizing accidents. Various events focusing on industrial safety like debates, safety quiz, elocution are held and rated according to performance. Group attaining highest rating is awarded the rolling trophy.				
<b>Best Practice: Medical Care</b>		Workers requiring specialized medical treatment are referred to super specialty hospitals with whom the factory has a subsidy.				
<b>Best Practice: Crash Helmets</b>		Crash helmets are compulsory for two wheeler riders. The factory provides the financial assistance to workers, and the amount is recovered from the salary of the workers in equal interest free installments.				

		FINDINGS		REMEDIATION		REMEDIATION UPDATE
FLA Code	FLA Benchmarks/Legal Reference	Monitor's Findings	Date	PC CAP Action and Comments	PC comments	
<b>8. Wages and Benefits</b>						
<b>Poor Record-Keeping</b>	<b>1. In accordance with Tamilnadu gazette declaration G.O.D. no. 40,</b> schedule for Tailoring industry, explanation no. 3, to arrive at daily wages, monthly wages shall be divided by 26. <b>Per FLA Benchmarks VIII, Wages and Benefits:</b> 1. Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	It was noted through review of the records that factory is dividing monthly wages by total number of working days in a month to arrive at daily wages. This method of computation of wages is followed by the factory for all workers. However, the number of working days may vary in each month.	Verified 1st. Week of September	The factory has already issued a circular informing that daily wages shall be calculated on 26 day basis only. They had used the number of days in a month compute the daily wage to ensure that if a worker has loss of pay, the loss is minimized. For instance a salary of RS 1,500 if divided by 26 (per the law) will result in a higher loss of pay. But this anomaly will be corrected and the site will go by the law w.e.f. September.	Current payment is based on 26 days per month and this has been in place since the date of the recommendation. Verified to be in effect via records review of payroll records during the Oct. 10, 2002 assessment.	
<b>Best Practice: Free Financial Assistance</b>		Needy workers are provided interest free financial assistance which is recovered from their salary in installments.				
<b>Best Practice: Bonus System</b>		Bonus paid is more than the minimum recommended by the law.				
<b>Best Practice: Free Transportation</b>		The factory provides free transportation arrangement to all workers. This arrangement enables workers to board from nearest point of stay to their place of work which is a major expense saving on local conveyance for the workers.				
<b>Best Practice: Bicycles for Workers</b>		Bicycles are provided to workers on request. The entire amount is paid by the factory and will be recovered from workers monthly salary in equal installments.				
<b>9. Hours of Work</b>						
<b>Excessive OT</b>	<b>1. In accordance with factories act 1948, Chapter IV, section 56,</b> the period of work of an adult worker in factory shall be so arranged that inclusive of his intervals for rest under section 55, there shall not spread over more than 10_ hrs in a day. <b>In accordance with the FLA Code provision on 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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	It was noted through review of the records that some workers work up to 12 hrs a day.		This excess OT does happen due to exigencies. Though this is voluntary the factory will take steps to ensure this is minimized. The factory however has a letter of permission from the inspector of factories to work OT up to 75 hrs in a quarter.	A review of OT records displayed that workers' OT hours do not exceed 12 hours in a week. The key step that was taken was to improve the planning process and anticipate in advance any production bottlenecks. The factory has secured an exemption from the Inspector of Factories to increase the quarterly CAP from 50 hrs to 75 hours and this is valid till end Dec. 2002. This will have to be renewed for 2003.	
	<b>2. In accordance with factories act 1948, Chapter VI, section 64 (4) (IV),</b> the total number of hours of overtime shall not exceed 2 hrs per day, 12 hrs per week subject to a maximum of 50 hrs in any one quarter per worker, and 75 hrs per quarter per person with permission from inspectorate of factories. <b>In accordance with the FLA Code provision on 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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	It was noted that 40 to 50 % of workers work overtime up to 4 to 5 1/4 hrs per day, 31 1/2 hrs per week and 117 1/2 hrs in a quarter without permission from inspectorate of factories.	10-Oct-02	Factory will take steps to ensure that OT is minimized and stick to the legal limits. But the factory has obtained permission from the Inspector of factories to work up to 75 hours in a quarter. 4 workers worked beyond 75 hrs in the quarter, and this will be avoided in future.	A review of OT records displayed that workers' OT hours do not exceed 12 hours in a week. The key step that was taken was to improve the planning process and anticipate in advance any production bottlenecks. The factory has secured an exemption from the Inspector of Factories to increase the quarterly CAP from 50 hrs to 75 hours and this is valid till end Dec. 2002. This will have to be renewed for 2003.	
<b>10. Overtime Compensation</b>						