

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 | P. R. China |
| IEM | INTERTEK TESTING SERVICES HONG KONG LTD. |
| Factory Code | 02001529A |
| Date of audit | July 8-9, 2002 |
| PC(s) | EDDIE BAUER |
| Number of workers | 768 |
| Product(s) | Sweater |

| FLA Code/ Compliance Issue | Findings | | | | Remediation | | |
|---|---|--|--|---------------|--|--|---|
| | Benchmark or legal reference | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Completion Date | Documentation |
| 1. Code Awareness | | | | | | | |
| 2. Forced Labor | | | | | | | |
| Contracts | In accordance with the PRC Labor Law article 16, labor contract shall be signed to establish a work-based relationship. Per FLA Benchmarks 1B, Forced Labor: 2. Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. | It was noted that [not all] workers signed labor contract with the factory. | Auditor noted this finding through document review and worker interview. | | Ensure that all employees have on file signed labor contracts. | 9/10/2002 | Written Confirmation - The factory provided PC with a Ministry of Labor report for all employees that all employees had been registered as required by law. |
| 3. Child Labor | | | | | | | |
| Lack of protection of under-age workers | "Juvenile workers" hereby refer laborers at the age of 16 but not 18 yet. According to PRC Labor Law article 65 and Regulations for the Special Protection of Juvenile Employees (Document No. 498) article 6, employer should arrange for regular health examinations to be provided to juvenile workers. Per FLA Benchmark IIB, Child Labor: 1. 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. | It was noted that the factory did not provide such health examinations to juvenile workers. | Through personal records review. | | Factory management needs to ensure that all employees age 16 and 17 are provided with health examinations according to PRC Labor Law article 65 and Regulations for the Special Protection of Juvenile Employees (Document No. 498) article 6, employer should arrange for regular health examinations to be provided to juvenile workers. | Immediately and Continuously - PC requested corrective action on August 26, 2002 | Written Confirmation - The factory provided PC with health certificates for those employees under the age of 18 years of age along with a copy of the government registration which the factory has on file. The factory also provided copies of medical examination reports for each employee below the 18 years of age. The factory stated in their communication that they only had five to six employees under the age of 18. |
| 4. Harassment or Abuse | | | | | | | |
| 5. Nondiscrimination | | | | | | | |
| Pregnancy Leave | 2. In accordance with the PRC Labor Law article 62, childbearing leave for female workers shall be at least 90 days. Per FLA Benchmarks IV, V, & VII Nondiscrimination, Health and Safety, & Wages and Benefits: 1. Reasonable accommodation will be made in the event of pregnancy, in a manner that will not unreasonably disadvantage the pregnant woman. 2. Employers will ensure that pregnant women are not engaged in work that creates substantial risk to the health of the pregnant woman. 3. 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. 4. Workers will be paid for holidays and leave as required by law. | 2. It was noted that the factory has not established a documented policy for such benefits. | Auditor noted this finding through document review and worker interview. | | The factory needs to ensure that eligible female employees are given legal benefits in accordance with the PRC Labor Law article 62, childbearing leave for female workers shall be at least 90 days. | 9/10/2002 | Written Confirmation - The factory provided copies of draft childbearing leave policy to PC for review. After PC reviewed the policy the factory provided training to factory employees and implemented the new policy. |
| 6. Health and Safety | | | | | | | |
| Fire Safety | 1. In accordance with the PRC Labor Law article 53, labor safety and hygiene facilities must be in compliance with the standards stipulated by the state; and according to the PRC National Standard GBJ140-90 article 5.1.3, portable fire extinguisher shall be installed by the way that the height from the top of the extinguisher to the floor is less than 1.50m, and the height from the bottom of the extinguisher to the floor is not less than 0.15m. Per FLA Benchmarks VB, Health and Safety: 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. 2. 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. | 1. It was noted that fire extinguishers were placed from the floor 1.8-1.9m in the female-worker dormitories and 3/F of Block 1 production building. | Auditor noted these findings during the factory tour. | | Install all fire extinguishers as required by PRC National Standard GBJ140-90 article 5.1.3, portable fire extinguisher shall be installed by the way that the height from the top of the extinguisher to the floor is less than 1.50m, and the height from the bottom of the extinguisher to the floor is not less than 0.15m | 22-Sep-02 | Photographs of corrective action were sent to PC. |

| FLA Code/ Compliance issue | Findings | | | Remediation | | | |
|----------------------------|--|---|--|---------------|--|--|--|
| | Benchmark or legal reference | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Completion Date | Documentation |
| Fire Safety | <p>2. In accordance with the PRC Fire Service Law article 14(5), enterprises and business units shall be responsible for the installation of appropriate fire service equipment and facilities, post the fire safety signs and arrange regular inspections and maintenance to ensure all the equipment and facilities can function properly and are in good condition. Per FLA Benchmarks VB, Health and Safety: 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. 2. 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. 3. 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. 4. All dormitories shall be kept secure</p> | <p>2. It was noted there was no fire extinguisher or emergency light installed in the male-worker dormitories.</p> | | | <p>Install and properly mount fire extinguishers and emergency lighting in the male workers dormitory as required by law</p> | 9/22/2002 | <p>Photographs of corrective action were sent to PC.</p> |
| | <p>3. In accordance with the Fire Safety of Building Design Regulation (GBJ16-87) article 3.5.1 Facility shall have at least two exits. Per FLA Benchmarks VB, Health and Safety: 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.</p> | <p>It was noted that there was only one emergency exit at the 250-workers' canteen.</p> | | | <p>Open a secondary exit for emergency use in the canteen</p> | 9/22/2002 | <p>Written Confirmation - The factory agreed to the construction of a second emergency exit in the canteen. The factory communicated to PC that this would take a couple of months to complete on 9/22/2003. PC requested an update from factory and was informed that the factory had just secured the appropriate permits to begin construction of secondary exit. Secondary exit has been completed as of February 2003. PC requested evidence of completion and status on March 19, 2003. The factory responded on March 25, 2003 with photos of new exit.</p> |
| | <p>4. In accordance with FLA Workplace Code Provision: 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. Per FLA Benchmarks VB, Health and Safety: 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.</p> | <p>It was noted that burning candles were found at warehouse that is located in the middle of Block 1 and Block 2 production building.</p> | | | <p>Ensure that there is proper care and supervision taken when using candles in the factory premises</p> | <p>Immediately and Continuously- PC requested corrective action on August 26, 2002</p> | <p>The factory agreed to ensure that no candles are used in the factory without proper supervision.</p> |
| PPE | <p>1. In accordance with Factory Safety and Sanitary Regulations article 32, Hazardous parts like conveyor belt, gear, abrasive wheel, flywheel, sewing machine, etc., shall be equipped with protective devices. Per FLA Benchmarks VB, Health and Safety: 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. 2. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.</p> | <p>1. It was noted that no belt guard and gear guard were installed at 20 loom knitting machines on 1/F of Block 2 production building, and no gear guard was installed at fixing machine in a workshop next to the washing department.</p> | <p>Auditor noted this finding during the factory tour.</p> | | <p>Install all protective guards as required by Factory Safety and Sanitary Regulations article 32, Hazardous parts like conveyor belt, gear, abrasive wheel, flywheel, sewing machine, etc., shall be equipped with protective devices.</p> | 9/22/2002 | <p>Photographs of corrective action were sent to PC on September 22, 2002.</p> |

| FLA Code/ Compliance issue | Findings | | | Best Practice | Remediation | | |
|--|--|---|--|---------------|--|-----------------|--|
| | Benchmark or legal reference | Monitor's Findings | Documentation | | PC remediation plan | Completion Date | Documentation |
| First Aid Boxes | 2. In accordance with Factory Safety and Sanitary Regulations article 31 , Workplace shall be equipped with first-aid box. Per FLA Benchmarks VB, Health and Safety: 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. 2. 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. | It was noted that three first aid boxes were found empty e.g. 1/F of Block 2 production building. | | | Ensure that all first aid kits are properly stocked | 9/22/2002 | Ongoing - The factory will continue to stock first aid kits as supplies run low. The factory provided PC with photos and documentation copy of new log sheet to check first aid kits to ensure that they are adequately stocked at all times. |
| Sanitation | In accordance with FLA Monitoring Guidance Health and Safety Benchmark , All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. | It was noted that there was no signage of gender at toilets on 4/F of Block 2 production building. | Auditor noted this finding during the factory tour. | | Post signs that designate gender for restroom facilities. | 9/22/2002 | Photographs of corrective action were sent to PC. |
| Other | In accordance with Regulations for Guangdong Province Labor Safety and Sanitary ⁽³³⁾ article 23 , the design, installation, and use of all facilities must meet the Chinese standard. Per FLA Benchmarks VB, Health and Safety , 1. Employer will comply with applicable health and safety laws and regulations. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. | It was noted that the factory could not provide any approval on using the 2 cargo lifts in the factory. | Auditor noted this finding during the factory tour. | | Provide training and certify all cargo lift operators as required by Regulations for Guangdong Province Labor Safety and Sanitary 33 article 23. | 9/22/2002 | The factory provided PC with copies of valid operator certificates which will be kept on file at the premises |
| 7. Freedom of Association and Collective Bargaining | | | | | | | |
| 8. Wages and Benefits | | | | | | | |
| Poor time-recording system | In accordance with the PRC Labor Law article 48 and Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the Labor Law(1995) article 57 , employees, including those who are in probationary, training or internship period, shall not be paid lower than the local minimum standard (RMB440 per month). Per FLA Benchmarks VII B, Wages and Benefits: 1. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 2. Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason. | The minimum wage cannot be verified due to the following reasons: 1) In the same month, the time-in and time-out of different workers in the same department and in the different department were found the same; 2) The working hours on the timecards were found different from the production records; 3) Through worker interview, it was noted that the timecards did not display all OT working hours; 4) Through worker interview, it was noted that there were two kinds of attendance record in the factory, one was punching timecard and the other was manual record. The factory management denied the existence of manual record; 5). It was noted [in worker interviews] that ... the April payrolls of them were found different from what they told the auditors. The payroll records were found less than what they said RMB300-800. The auditors could not verify how much the workers earned during the OT working hours and normal working hours. | Timecards and payroll records' copies and worker interview. | | Factory management needs to ensure that employees receive minimum wage in accordance with the PRC Labor Law article 48 and Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the Labor Law(1995) article 57, employees, including those who are in probationary, training or internship period, shall not be paid lower than the local minimum standard (RMB440 per month). | 9/10/2002 | Written Confirmation - The factory provided a sample of payroll register, production tickets and production wages to verify that employees had received proper wage compensation for all hours of work. The factory pays employees piece rate wages. The factory uses manual attendance records to insure that the employees are present. All wages are calculated using the production records. |
| Lack of legal benefits | 1. In accordance with the PRC Labor Law article 45 , a worker who has worked for one or more successive years shall enjoy paid annual leave, for factories inside Guangdong province: Working 1-5 years: 5 days; Working 5-10 years: 7 days; Working 10 –20 years: 10 days; Working 20 years or above: 14 days. Per FLA Code Provision and Benchmark, Wages and Benefits: 1. 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. 2. Employers will provide all legally mandated benefits to all eligible workers. | 1. It was noted that the factory has not established a documented policy for such benefits. | Auditor noted this finding through document review and worker interview. | | Factory management needs to ensure that in accordance with the PRC Labor Law article 45, a worker who has worked for one or more successive years shall enjoy paid annual leave, for factories inside Guangdong province: Working 1-5 years: 5 days; Working 5-10 years: 7 days; Working 10 –20 years: 10 days; Working 20 years or above: 14 days. | 9/10/2002 | Written Confirmation - The factory provided a sample draft of new annual leave policy to PC for review. After the policy was reviewed by PC factory communicated to employees and implemented the new policy. |
| Social Security Benefits | 3. In accordance with the PRC Labor Law article 72 , employer unit and its workers must participate in social insurance schemes and pay social insurance premiums in accordance with the law; and according to article 73, workers shall enjoy social insurance benefits under the following circumstances: retirement, illness or injury, work-related injury or occupational disease, unemployment and maternity. Therefore, according to this national law requirement, all five types of social insurance schemes mentioned above should be provided to all employees of a factory. Per FLA Code Provision and Benchmarks VII B , Wages and Benefits: 1. 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. 2. Employers will provide all legally mandated benefits to all eligible workers. 3. Legally mandated benefits will be provided or paid in full within legally defined time periods. | 3. It was noted that [not all] workers had been insured against injury. No written waiver of insuring the remaining workers was received from the local insurance bureau. | Social insurance invoice. | | Ensure that all employees have been insured with the local insurance bureau as required by law. | 9/10/2002 | Written Confirmation - Copies of insurance policy were provided to PC for review |

| FLA Code/ Compliance issue | Findings | | | Best Practice | Remediation | | |
|----------------------------------|---|--|--|---------------|--|-----------------|---|
| | Benchmark or legal reference | Monitor's Findings | Documentation | | PC remediation plan | Completion Date | Documentation |
| Late Payments | 4. In accordance with the Notice of the Ministry of Labor, the Ministry of Public Security and the All-China Federation of Labor Unions concerning Strengthening Labor Management in Foreign Investment Enterprises and Private Enterprises and the Effective Safeguarding of the Legal Rights and Interests of Workers – Ministry of Labor Document No. 118 (1994) article 3. An enterprise shall pay employees' wages in full, on schedule and in the form of currency, and shall not delay payment or embezzle wages. Per FLA VIIB, Wages and Benefits Workplace Code Provision A.: 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. Benchmark B.18.All compensation shall be paid in a timely manner. | 4. It was noted that the factory withheld the wages of May 30 to 35 days. As informed, the factory will release the wages of May to workers on July 15, 2002. The factory management explained that they had to calculate the wages of May according to the new minimum wage standard (RMB460 per month), so the payment was delayed. | Auditor noted this finding through document review and worker interview. | | Factory management needs to ensure that employees receive minimum wage in accordance with the PRC Labor Law article 48 and Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the Labor Law(1995) article 57, employees, including those who are in probationary, training or internship period, shall not be paid lower than the local minimum standard (RMB440 per month) | 9/10/2002 | Written Confirmation - On 9/10/2002 the factory provided a sample of May 2001 payroll register to verify that employees had received proper wage compensation |
| 9. Hours of Work | | | | | | | |
| Poor record-keeping | In accordance with the PRC Labor Law article 41, the overtime worked shall not exceed 3 hours per day and 36 hours per month. Per FLA Benchmarks VIIB, Wages and Benefits: 1.Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. | OT working hours cannot be verified due to the following reasons: 1) In the same month, the time-in and time-out of different workers in the same department and in the different department were found the same; 2) The working hours on the timecards were found different from the production records; 3) Through worker interview, it was noted that the timecards did not display all OT working hours; 4) Through worker interview, it was noted that there were two kinds of attendance record in the factory, one was punching timecard and the other was manual record. The factory management denied the existence of manual record; 5). It was noted [in worker interviews] that ... the April payrolls of them were found different from what they told the auditors. The payroll records were found less than what they said RMB300-800. | Auditor noted these findings through document review and employee interview. | | Factory management needs to ensure that all pay, time and overtime records are accurate and reflect true information. All employees must be properly compensated for all hours worked as required by Regulation on the Minimum Wages of Enterprise (Articles.12-160) of the Chinese labor law and Eddie Bauer's Workplace Code of Conduct. Factory management needs to ensure that employees are compensated for all overtime hours of work as required by Labor Act; Article 444; Regulation for the Payment of Wages; Article 13 of the Chinese labor law and Eddie Bauer's Workplace Code of Conduct | 9/10/2002 | Written Confirmation - PC was provided with copies of time records for August, September 2002. The documents showed improvements however, hours of work are still over legal limit. The factory communicated to PC that because of peak production they were unable to stay within the 60 hour code limit. The factory also reported that they properly compensate employees for all hours of work. They explained that they are maintaining efficiency records to improve production and identify areas that need improvement. The factory will maintain monthly overtime hours report to monitor employee hours more closely and will submit reports to PC. |
| 10. Overtime Compensation | | | | | | | |
| Incorrect wage rate for OT | In accordance with the PRC Labor Law article 44, the overtime payment shall not be lower than 150%, 200% and 300% of employee normal rate for overtime on normal working days, rest days and official public holidays respectively. And respect to the minimum wage standard RMB2.63 per hour, the overtime payment shall be RMB3.94, RMB5.26 and RMB7.89 per hour respectively. Per FLA Benchmarks VIIB, Overtime Compensation: 1. The factory shall comply with applicable law for premium rates for overtime compensation. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 3. Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason. | The overtime compensation cannot be verified due to the following reasons: 1) In the same month, the time-in and time-out of different workers in the same department and in the different department were found the same; 2) The working hours on the timecards were found different from the production records; 3) Through worker interview, it was noted that the timecards did not display all OT working hours; 4) Through worker interviewed, it was noted that there were two kinds of attendance record in the factory, one was punching timecard and the other was manual record. The factory management denied the existence of manual record; 5). It was noted [in worker interviews] that ... the April payrolls of them were found different from what they told the auditors. The payroll records were found less than what they said RMB300-800. The auditors could not verify how much the workers earned during the OT working hours and normal working hours. | Auditor noted these findings through document review and employee interview. | | Factory management needs to ensure that all pay, time and overtime records are accurate and reflect true information. All employees must be properly compensated for all hours worked as required by Regulation on the Minimum Wages of Enterprise (Articles.12-160) of the Chinese labor law and Eddie Bauer's Workplace Code of Conduct. Factory management needs to ensure that employees are compensated for all overtime hours of work as required by Labor Act; Article 444; Regulation for the Payment of Wages; Article 13 of the Chinese labor law and Eddie Bauer's Workplace Code of Conduct | 9/10/2002 | Written Confirmation - PC was provided with copies of time records for August, September 2002. The documents showed that employees during this period had been properly compensated for overtime hours as required by law. |