

*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 Monitoring Visit Profile	
Country	China
Factory name	100015111B
IEM	Kenan Institute Asia
Date of audit	2003-9-29--30
Days in the facility	2 days
PC(s)	Phillip-Van-Heusen
Number of workers	1100
Product(s)	Sweater
Production processes	Assembly line

FLA Code/ Compliance issue	Findings						Remediation				
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
<b>1. Code Awareness</b>											
Worker/management awareness of Code		<b>FLA Principles of Monitoring, Obligations of Companies:</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.	Workers interviewed know nothing about COC.	management interview, worker interview	Managers have knowledge of code of conduct and FLA.	Train workers so that they are knowledgeable of the code of conduct and its elements.	April 30,2004	Management has held trainings/meetings with the employees informing them of the workplace standard and the code of conduct. Management also has posted extra posters in the factory, and has had the training agenda and minutes of these meetings documented.	During the follow-up conducted on May 19,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and documentation.	
Confidential non-compliance reporting channel		<b>FLA Principles of Monitoring, Obligations of Companies:</b> 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 Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Non-compliance as there is only suggestion box in the factory.	management interviews, worker interviews		Develop additional secure communications channel, in a manner appropriate to the culture and situation, to enable all employees to report to the company on noncompliance issues, with security that they shall be not punished or prejudiced for doing so.	February 28,2004	Management has developed a detailed company policy in handling the complaints. Policies such as designating a person in charge of collecting the comments from the suggestion box, suggestion box will be checked daily by management, and the designated person reflects the worker's comments to the management have been established. In addition, a welfare committee composed of worker elected officials has been established. Workers will channel their complaints through the welfare committee and management will hold regular meetings with these elected representatives. Management's goal is that this procedure will provide a secure channel for the workers to directly and effectively communicate with management.	During the follow-up conducted on April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and documentation.	
<b>2. Forced Labor</b>											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise											
<b>3. Child Labor</b>											
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 than 15.											

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<b>4. Harassment or Abuse</b>											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.											
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	Workers reported that if they are late for 1 hour, they will get monetary fine of 5 yuan. If they eat food during working hours, they will also get monetary fines.	worker interview		Prohibit the use of all monetary fines.	April 30,2004	Memo has been issued informing workers that there are no such policies (monetary deductions for breaking factory rules) being imposed at the factories. Management has developed the disciplinary policy of the factory for the workers that violate the factory rules/regulations (e.g. verbal warning for the 1st occurrence, written warning for 2nd occurrence). Workers have been informed of such changes, and policy has been updated and included in the employee handbook.	During the follow-up conducted on May 19,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and documentation.	
<b>5. Nondiscrimination</b>											
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.											
<b>6. Health and Safety</b>											
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											
Fire Safety Health and Safety legal compliance		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	In the section workers use a kind of hazardous chemical to wash the dirty spots of clothes, the ventilation is good, but no MSDS is posted there.	visual inspection, management interview, record review	The designs of factory facilities and place of machines in workshops are fairly good. There is a high level management who is responsible for health and safety. They have plans and working network to implement the procedures.	Maintain on file MSDS and ensure all employees have access to them.	February 28,2004	All MSDS are properly filed and all employees have access to them.	During the follow-up conducted by April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through observation.	
Evacuation Procedure	Article 52 The employing unit must establish and perfect the system of occupational safety and health, strictly implement the sules and standards of the State with regard to occupational safety and health, carry out education among labourers in occupational safety and health, prevent accidents in the process of work, and lessen occupational hazards.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Some stairs and exits are not equipped with handrails where needed.	visual inspection		Install handrails at stairways and exits where needed.	February 28,2004	Handrails have been installed at stairways and exits where needed.	During the follow-up conducted by April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through observation.	
Chemical Management for Pregnant women and juvenile workers	China labor law , Article 54 says the employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labor protection, and provide regular health examination for labourers engaged in work with occupational hazards.	To prevent unsafe exposure to hazardous chemicals, appropriate accommodations shall be made for pregnant women and minors as required by applicable laws in a manner that does not unreasonably disadvantage employees	There are no physical examinations for workers in washing section.	visual inspection and records review		Provide physical examinations for workers in the washing area.	February 28,2004	Factory has provided physical examinations for all workers.	During the follow-up conducted by April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and documentation.	

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Ventilation/Electrical/facility maintenance	Article 54 The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour protection, and provide regular health examination for labourers engaged in work	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	There is an old but useful power distribution building in the factory. There is no fence around the house, which is not qualified.	visual inspection		Install a fence around the power distribution building.	February 28,2004	Factory management will provide a fence for around the power distribution building.	During the follow-up conducted by April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through observation.	
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees	Workers interviewed don't know how to use extinguishers. There is no source of water nor appropriate medical supplies in or near the chemical storage area	worker interview		Train all workers in the use of fire fighting equipment. In addition, install and maintain a source of water and appropriate medical supplies in or near the chemical storage area.	February 28,2004	Management has provided training to all workers on the use of fire extinguishers. In addition, management has provided a source of water and the appropriate medical supplies in or near the chemical storage area.	During the follow-up conducted by April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and observation.	
Employer control/favoritism		The employer will not interfere with the right to freedom of association by controlling workers' organizations or favoring one workers' organization over another	The committee members of the trade union are chosen by the factory management.	worker interview, management interview			May 1,2004	Due to the limitation of forming labor unions in China, other workers' representative committee group such as social welfare committee has been set up serving the same function. A very detailed election policy has been established (e.g. how the committee members are elected, the responsibility and the authority of the committee members, the function of the committee) to show that the committee is established under fairness, open for public and with justice. Besides communication channel (e.g. regular meetings between the committee members and the factory management), the committee will keep written records to ensure that workers' opinion is properly transferred and followed up should it occur. Minutes of each meeting will be documented for future reference.	During the follow-up conducted on May 19,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and documentation.	
Other			Almost all the workers interviewed know that there is a trade union in the factory, but don't know what it is for.	worker interview		Encourage and make workers aware of the purpose and function of the trade union.	May 1,2004	Election of worker's representative was held in April 2003. The election meeting was documented to show all workers participated.	During the follow-up conducted on May 19,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and documentation.	
<b>8. Wages and Benefits</b>											
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	Workers reported that they were not familiar with the minimum wage. The factory management tries to convince workers to be part of the social security system. But not all workers are willing to take part as legally mandated.	worker interview, management interview, record review		Ensure all workers are made aware of what minimum wage is. In addition, all workers must contribute to the social security system.	March 31,2004	Management will provide clear explanation, at the time of hire, of minimum wage and the social security system. In addition, the current minimum wage notice is posted in a prominent place within the factory and is listed in the employee manuals given to all workers.	During the follow-up conducted by April 1,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews observation and documentation.	

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Wage and Benefits Posting		All notices that are legally required to be posted in the factory work areas will be posted. All legally required documents, such as copies of legal code or law, will be kept at the factory and available for inspection	In compliance	visual inspection, record review, worker interview	The factory posts the notice on social security in a prominent place throughout the factory, to catch the attention of the workers.						
Deduction for Services		Deductions for services to employees will not exceed the cost of the service to the employer. If questioned, employers will demonstrate the reasonableness of these charges	In compliance	worker interview, management interview, record review	The workers pay for the meals themselves. They can choose to eat in the dining room or not.						
<b>9. 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											
Overtime Limitations	According to Article 41 of Labour Law of the People's Republic of China. 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 hour per day shall generally not exceed one hour; if such extension is needed for special reason, 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.	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	Depending on the orders the factory gets, workers work overtime from 2 to 4 nights, and three hours per night, from 6pm to 9pm. Workers said when the factory gets urgent orders, workers have to work on Sundays. Most workers said the factory would not make up the missed rest day for workers. Workers also reported if the order was very urgent, workers may work overtime until 11 o'clock.	worker interview, management interview, record review		Provide at least one day off per seven day week to all workers. In addition, observe the legal requirement regarding allowable number of overtime - maximum 3 hours per day.	April 30,2004	Management has imposed a logbook to better control and manage overtime to ensure all receive one day off per week, and improved planning of schedules and work flows to decrease the number of overtime hours worked. The daily working hours are in control of maximum 3 hours per day. The report of monthly total hours has been prepared and will be updated every month to keep track of employees' working hours.	During the follow-up conducted on May 19,2004, auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and review of relevant documentation.	
<b>10. Overtime Compensation</b>											
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.											
<b>Miscellaneous</b>											