

*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 IEM Profile	
Country	Malaysia
Factory name	09024673B Patagonia Nordstrom Malaysia
IEM	Kenan Institute Asia
Date of audit	6 & 7 August 2003
Days in the facility	2 days
PC(s)	Nordstrom Inc. & Patagonia Inc.
Number of workers	1306
Product(s)	pants
Production processes	cutting, sewing, trimming, dipping, washing, ironing, packing
Other brands in factory	Eddie Bauer & Nike Inc.

		Findings					Remediation						
FLA Code/ Compliance issue	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal audit	PC remediation plan	Target Completion	Factory Response	PC follow up	Factory's Clarification	PC Follow Up Plan 3-1-2004	Documentation	Best Practice
<b>1. Code Awareness</b>													
<b>2. Forced Labor</b>													
<b>3. Child Labor</b>													
<b>4. Harassment or Abuse</b>													
Verbal abuse	Employers will prohibit screaming, threatening, or demeaning verbal language	Although supervisors have been sent for retraining, workers report cases of verbal reprimand	Worker interviews			Employers will prohibit screaming, threatening, or demeaning verbal language according to Nordstrom, Patagonia and FLA standards. Written policies should be posted in the worker's language that outline general factory rules. Factory management should appropriately discipline anyone who engages in prohibited forms of discipline (verbal, sexual, psychological, physical, etc.)	Immediately - 10/10/03	Company has specific rules & regulations where all employees must ensure proper behavior and shall not use abusive, vulgar or threatening language. Any one found engaging in this misconduct will be given appropriate disciplinary action. The Company also has conducted communication workshops and supervisory skills training to the supervisors. There are also monthly meetings between the union and management to mediate such issues.	Request of Factory: Please certify that additional measures, beyond those in effect at the time of the FLA audit have been implemented to address this issue. Specifically, the monitor found that despite the fact that "supervisors have been sent for retraining" verbal harassment of workers was reported. Please comment on additional steps taken since 9/1/03. Also, please certify that written policies have been posted in the local language.	Management had a session with all supervisory staff to emphasize the importance of this issue. The union is also assisting the Management on this area to give feedback to the Management to act on. The rules and regulations which include this area have also been posted.	Patagonia and Nordstrom plan to conduct a joint follow-up visit in the spring of 2004. Should this issue be unresolved, a relevant worker training strategy will be devised jointly with Imperial and the PCs.		
<b>5. Nondiscrimination</b>													
Marital Discrimination	Employers will not prohibit the employment of married women			No discrimination against pregnant women: Management provides them with early dismissal (5 minutes), and unofficial rest breaks in case of morning sickness									
Pregnancy Testing	Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.			No discrimination against pregnant women: Management provides them with early dismissal (5 minutes), and unofficial rest breaks in case of morning sickness									
Pregnancy Risk	Employers will ensure that pregnant women are not engaged in work that creates substantial risk to the health of the pregnant woman.			No discrimination against pregnant women: Pregnant workers will be transferred to less heavy/risky work									
<b>6. Health and Safety</b>													
Document Maintenance/ Accessibility	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	Insufficient awareness on safety committee members and their responsibilities among the worker population		Pictorial instructions with Mandarin language for trimming process. Graphic Instructions in Mandarin and English in the Employee Training Centre.		Factory management must ensure the safety of all workers by providing adequate training to all employees in their native language. Factory should designate a qualified person to manage the health and safety issues. Factory must post any health and safety information required by law in the language of the workers and supervisors.	10/10/03	All employees are given safety orientation including in usage of PPE and fire equipment. The Company has also a Safety Officer who is to ensure compliances on safety and health. Any information including on safety and health are posted in local languages on the bulletin boards.	Request of Factory: Please respond specifically to the issue of a lack of safety committee members presence and awareness within the greater workforce. Please certify that safety training is ongoing and is not confined to initial worker orientation but includes periodic updates and additions	A notice board to promote the Safety & Health Committee has been put up to promote better awareness on the committee and its activities. Safety training is conducted periodically and frequently, external certified trainers are engaged to conduct safety courses. Recent course conducted were on safe forklift driving, first aid and fire & rescue.	Follow-up visit pending. More communication on Health and Safety will be specifically targeted in next visit.		

FLA Code/ Compliance issue	Findings					Remediation							
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	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	Evacuation plan posted on the wall is not visible because it is blocked by cartons in some areas. Aisle in some areas is blocked by trolley and goods/materials. Evacuation indicator (arrow) on the floor is not clear in some areas due to wear and tear				Please clear area around evacuation plan for easy access for workers to view. Keep all aisles clear at all times to create a safe evacuation path. Please maintain evacuation indicators so easily visible for workers.	10/10/03	Daily safety a monitoring ensures no blockages at vital points including the walkways and aisles . The evacuation plans have been reviewed to incorporate vital indicators and are posted at areas where there are easily viewed.	Request of Factory: Please clarify whether daily monitoring is in response to the findings of the auditor or is part of an ongoing program.	The daily audit is an ongoing program by the Company to ensure daily safety compliances apart from ensuring proper housekeeping . Apart from that, the Safety & Health Committee have safety audit teams that rotates monthly inspection using a checklist on safety & health areas .	Follow-up visit pending		
Safety Equipment	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	Fire extinguisher is not accessible because it is blocked by workstation location. Insufficient stocking of first aid supplies in the first aid boxes as per Appendix 2 Recommended Contents of a First Aid Box in Guidelines on First aid Facilities in the Workplace, Dept of Occupational Safety & Health, 1996		The factory has an excellent method of fire alarms. The smoke detection alarm is installed across the production area. In case of fire, this detector will be sounded when the smoke is detected and the signal from the sensor of the smoke detector will be sent to the alarm at the control panel and guardhouse.		Keep fire extinguishers clear of obstruction within a 3x3 (1x1 meter) radius. Keep first aid kit well stocked at all times. Contents must include: Adhesive bandages, Absorbent pads, antiseptic, Latex gloves, burn treatment, medical adhesive tape, scissors, tweezers, rubbing alcohol, eyewash.	10/10/03	Daily safety checks includes easy access to all fire equipment which are zoned into yellow boxes . The first aid boxes are checked every fortnight and the contents are according to OSHA and panel doctors' recommendations .	Request of Factory: Please clarify whether daily monitoring is in response to the findings of the auditor or is part of an ongoing program. Please confirm that fire extinguishers are unobstructed.	The checks are part of a daily routine to ensure non- obstructions on all fire equipment ,including fire extinguishers. All fire extinguishers are zoned within yellow boxes . Also besides daily checks, the safety audit teams consisting of safety & health committee members would also conduct monthly inspections	Follow-up visit pending		
PPE	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Some workers do not wear mask properly. System of recording the issuance and maintenance of PPE to be established				Asking auditor for clarification. Recommendation: system for recording issuance of PPE	tbd	All PPE are managed by the department heads and list of PPE available are posted on PPE lists on each departments.	Request to Factory: Please clarify whether PPE management is in response to the findings of the auditor or is part of an ongoing program.	Factory's PPE management system is also part of the factory's normal operations . Also an on-going program initiated by the safety & health committee.	Follow-up visit pending		
Chemical Management	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Not in conformance with the USECHH (Use and Standards of Exposure to Chemical Hazardous to Health) regulations 2000 (No CHRA: Chemical health Risk Assessment). No compliance with the CPL regulation (Classification Packaging and Labeling regulations 1997 (No chemical register).MSDS in local language (Bahasa Malaysia) is not provided for all chemicals. Insufficient awareness of the MSDS /CSDS as well as chemical label (NFPA) among the worker population. Chemical labels identification coding does not follow the CPL regulations 1997.No chemical labeling on some chemical containers within the boiler room Emergency eye wash basin and shower is not in appropriate location.				Asking auditor for clarification. Please provide MSDS for all chemicals used in local language of workers. Please provide training for MSDS all workers. Label all chemicals as required by local law. Eye wash station must be located in all areas where contact with chemicals may occur.	10/10/03	All MSDS are posted and translated at local languages. Workers' orientation on MSDS usage are being conducted. Eye wash stations are located at the laundry department and chemical storage .	Request of Factory: Please confirm that eye wash stations are located in all areas where chemicals are stored and used. Furthermore, please confirm that ongoing training is provided related to chemical safety.	Confirmed that the eye wash station are located - the factory can provide photos. Also the factory is sourcing an accredited training program on proper chemical handling besides the internal briefing for new workers handling chemical .	Follow-up visit pending		
Machinery Maintenance	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Insufficient awareness of the importance of the needle guard of high speed sewing machines. Needle guards for some high speed sewing machines are not provided. No heat insulation barrier/fencing between the boiler and the passageway.				In order to protect workers from work-related injury, all sewing machines must have needle and pulley guards. Insulation must be installed to insure safety	10/10/03	Daily maintenance checks ensure proper safety guards are being installed . Workers orientation includes importance of safety guards.	Request of Factory: Please clarify whether daily maintenance is in response to the findings of the auditor or is part of an ongoing program. Please provide confirmation that needle guards are installed and in use. Please respond to insulation/boiler issue.	Checks are being done as part of a daily routine by our mechanics. Apart from that, notices have been posted to remind the workers the importance of safety guards and disciplinary action can be taken against those who remove safety guards . The factory can provide photos on the installation of these items. The boiler is a prohibited area and is segregated away from the production area by a separate fencing .	Follow-up visit pending		

FLA Code/ Compliance issue	Findings					Remediation							
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Sanitation in Facilities	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws			Good air conditioning with ventilation system to cool down the work environment and exhaust netting fitted to capture the dust from work area. Installation of light reflector sheets to increasing of level of illumination									
Sanitation in Dining Area	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.			The company has a comprehensive Rules and Code of Conduct for the Canteen Caterer & Assistant									
Sanitation in Dormitories	All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually	Fire extinguisher and first aid kit stored in the worker hostel are not properly maintained				Fire extinguishers must be checked monthly, fully charged and labeled with the type of fire for which they are used. All fire equipment is to be inspected by the fire department or outside agency every 6 months and be tagged with inspection dates.	tbd	Besides internal audit, a safety consultant is engaged to conduct monthly test on vital fire equipment . All fire extinguishers are inspected by our fire authorities and issued certificates of inspection .	Request of Factory: Please clarify whether internal audit and retention of safety consultant are in response to the findings of the auditor or is part of an ongoing program. Please respond to first aid kit inadequacy.	The internal audit and hiring of safety consultant is part of the factory's ongoing safety activities . All first aid boxes are checked every two weeks to ensure full inventory .	Follow-up visit pending		
Worker Participation	Workers should be involved in planning for safety, including through worker safety committees	Insufficient OSH training in the area of Chemicals handling, electrical hazards and mechanical hazards				Follow all guidelines of OSH in regards to chemical handling, electrical hazards and mechanical hazards	10/10/03	Sourcing for accredited safety trainer to focus on these areas. A safety officer has already undergone similar training and is familiar with the OSHA guidelines.					
Other		Accident investigation procedure and report format does not comply to the OSHA regulation and requirement. The qualification OSH committee's secretary does not comply to OSH (Safety and Health Officer) Regulation 1997.				Follow accident investigation procedures and reporting as outlined by OSHA	10/10/03	Already following the OSHA procedures in the event of any workplace accidents.	Request of Factory: Please provide information on new steps being taken to increase effectiveness of OSHA accident investigation procedure.	Safety Officer is trained in OSHA investigation procedures . Any work accident will be immediately reported to the Department of Safety & Health.	Follow-up visit pending		
<b>7. Freedom of Association and Collective Bargaining</b>													
Right to Freely Associate	Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment			Strong Union. They have suggestion box. Workers can also go to the HR department directly (HR Asst Manager) or go through the in-house union.									
<b>8. Wages and Benefits</b>													
Wage Benefits Awareness	Employees 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	Many workers speak only their mother tongues and are unable to converse in English, which is the official language used in documents	Personnel file review and worker interviews			Factory must communicate its policies and procedures regarding wages and benefits to all workers in simple terms in the workers' native language. Please provide training to ensure that all workers understand the system for payment and how to calculate their pay.	10/10/03	The Company is creating an employees' handbook to communicate the wages and benefits. Workers' orientation includes explaining payment system .			Follow-up visit pending		
<b>9. Hours of Work</b>													
Forced overtime	Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	Some workers reported that overtime is not voluntary	Worker interviews			All overtime work must be on a voluntary basis. Workers should not have to agree to excessive overtime requirements in order to secure employment. Please provide documentation that the factory policy does not require workers to work overtime.	Immediately - 10/10/2003	All employees must sign on overtime chits if they are willing to do overtime. Each department must also submit monthly overtime plans to ensure non-excessive overtime.	Request of Factory: Please certify that all overtime is voluntary and that overtime is never excessive. Please provide documentation of factory policy.	All employees that are willing to do overtime must sign overtime chits to indicate that they can volunteer. The factory can send a sample of the departmental OT plan .	Follow-up visit pending		

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Overtime Limitations	Except in extraordinary business circumstances, employees will be entitled to at least one day off in every seven day period.	Working on Sundays without break on the next day.	Time record and worker interviews			All employees must be allowed one day off in seven. If the factory switches regular workdays with regular rest days, the employees must be paid at the rest day rate.	Immediately - 10/10/2003	Any overtime must be approved.	Request of Factory: Please certify that any irregularity in rest days is accompanied by appropriate compensation and one guaranteed day off in each seven day period for every employee.	Any employee that worked previously on rest day were paid two times the normal rates. The Management has stopped consent in allowing work on rest day .	Follow-up visit pending		
<b>10. Overtime Compensation</b>													
<b>Miscellaneous</b>													
Restricted access to factory		The factory management refused to allow us access to the Wrinkle Free Section of the factory. We could not enter this portion of the factory. However, we did request workers for interviews from this section.	Management interview, worker interviews			<p>In order to safeguard R&amp;D activities in this Garment factory, factory management has restricted monitors access to the particular area where wrinkle-free processes are conducted. The restriction is limited to those 4-5 individuals that work in the particular area. 4 designated escorts and the owner of the factory. Nordstrom has worked with the factory owner to establish a system that will respect the confidentiality of the factory's patented process while also meeting the requirements of Nordstrom's Social Compliance audit process.</p> <p>The violation as noted in the FLA audit will be addressed in the same manner as Nordstrom's internal processes. Nordstrom's internal program requires full access to the entire facility during the audit process. While we respect the right of the factory to protect their patented process, we must also require that they meet the same standards as all approved factories for Nordstrom. By partnering with the factory to agree upon a system that meets both of our needs, we hope to ensure the integrity of our program while also respecting their confidentiality.</p>							