

*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	Korea
Factory name	13024014C
IEM	Global Standards
Date(s) in facility	17-Dec-04
PC(s)	New Era Cap Company, Inc., Zephyr Graf-X
Number of workers	14
Product(s)	Headwear
Production processes	Knitting, cutting, sewing, embroidering, packing

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation			
			Monitor's Findings	Documentation (if finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Company follow up (Cite date of follow up)	Documentation
<b>1. Code Awareness</b>											
Worker/management awareness of Code		<b>FLA Principle of Monitoring, Obligation 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.	Code posted in prominent place and workers know the code posted, but not aware of code elements.	Workers interview and visual inspection	Yes			Perform code awareness training with all workers so that they understand and know the information. This can be done in worker meetings where the FLA Code is explained to them in detail. Records of the meetings/		11/9/2005	The factory has held Code awareness and training meetings since the FLA audit last year. The factory provided proof in the form of pictures and signed records of the meetings (signed by the workers and management). PENDING - need to confirm through worker interviews
<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											
<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.											
<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											
Document Maintenance/ Accessibility	Industrial safety and health act : Article 41 (1) If a business owner desires to manufacture, import, use, transport or store any chemical substance or preparations containing chemical substances shall prepare in advance MSDS, and post and keep them at any place to be seen easily by workers handling such substance	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	No MSDS posted. Local labor law and company policy kept in file only.	Visual inspection and management interview	Yes			Factory should obtain MSDS for chemicals in use by the workers. Training, including review of MSDS recommendations for use of Personal Protective Equipment and hazards presented by the chemical need to be provided to workers. MSDS should be posted in the area where the workers use the chemical and provided in the local language		11/9/2005	Appropriate MSDS were posted on a wall that had to be torn down just before the company visit. The factory management had a picture of the MSDS postings before the wall was taken down, and were in the process of moving all postings to a new location. The factory said that the postings would be on a new wall within one week. All workers were trained on the MSDS recommendations, and several boxes of extra PPE such as gloves, hearing plugs, etc.
Evacuation Procedure	Industrial safety and health act : Article 31 (1) The business owner shall periodically conduct education on safety and health for the workers in his place of business as prescribed by the Ordinance of the Ministry of Labor (only applied to management)	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	An exit on the basement open inward only because of stair right outside of door. Aisles are not marked in the sewing and cutting room.	Visual inspection and management interview	Yes		A worker was educated and got certificate by Korea Occupational Safety and Health Agency.	To re-construct this door area to allow opening outward that will provide safe exit in the case of emergency evacuation.		11/9/2005	The factory has not reconstructed this door. They claim that it would be far too expensive and difficult, since reconstructing this door would cause it to open directly into the stairs. The factory would have to move the door back into the warehouse and would lose space.

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation				
			Monitor's Findings	Documentation (if finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Company follow up (Cite date of follow up)	Documentation	
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 extinguishers are only placed near exit in the packing room. Some of them should be placed on the back of the room.	Visual inspection				A worker was trained and got a certificate on first aid and health by Korea Occupational Safety and Health Agency. Smoke detectors installed.	To obtain and install additional fire extinguishers in the back of room – a good rule is to have one FE within 7 meters of a worker.		11/9/2005	The factory added two fire extinguishers to the packing room, with one at the back of the room, and three fire extinguishers to the sewing room, all equally spaced around the room. The knitting room already had a sufficient number of fire extinguishers.
PPE	Industrial safety and health act : Article 33 (1) Machines and instruments required for harmful or dangerous work or operated by the electric power shall not be transferred, leased, installed, used, or exbited for the purpose of transfer or lease without taking protective measures for the preservation of human life and health.	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.	Excessive noise in the knitting room but no sign to wear ear-plugs posted	Visual inspection					Post a sign that is visible and in the local language to advise workers and visitors that the area requires hearing protection.		11/9/2005	The factory had not posted a sign at the time of this visit, although every worker was wearing the proper PPE and extras were available in a box. The factory committed to creating and posting the sign the day of the visit. PENDING - need evidence that the sign has been posted.
Chemical Management	Industrial safety and health act : Article 39 (1) Any person who desires to put or pack in a container benzene, preparations containing benzene or other harmful or dangerous substances shall label the following information on the container (Denomination, Ingredients and content, Effect on human body, warnings)	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	Chemicals are not marked	Visual inspection					All chemical containers (bulk storage and operator units) shall be marked with the contents to identify the chemicals contained. Good practice is to include rating of flammability, reactivity and health risk.		11/9/2005	All chemical bottles were marked with the contents, although they only use one can and one plastic bottle during production. The chemicals did not have a bulk storage container since there were so few, but instead were stored in a box that was appropriately labeled.
<b>7. Freedom of Association and Collective Bargaining</b>												
Employers will recognize and respect the right of employees to freedom of association and collective bargaining												
<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												
Minimum Wage	Minimum Wage Act : Article 6 (1) The employer shall pay the workers who are covered by the minimum wage, at least the minimum wage rate or more.	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher	Factory pays wages below minimum wage to some of its workers	Records review and management interview	Yes				Discontinue payment of wages below the legal minimum wage immediately. Calculate and pay back wages due to workers from the date of the audit to the present date.		11/9/2005	The factory changed its wage policy in 2005. It no longer increases the minimum wage in January of every year, four months after the minimum wage increases nationally. The factory also confirmed that it paid the appropriate back wages to employees from Sept 04-Dec 04. One other thing to note is that every worker in the factory now makes above the minimum wage. PENDING - need confirmation through financial
Other								Factory provides meals and work clothing to workers				
<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												
<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>												
Unauthorized subcontracting			No contracts with subcontractors	Documents review					Prepare and sign contract with subcontractors to include their agreement to conform with FLA Code and obligations to meet local legal requirements for labor and human rights.		11/9/2005	The factory does not currently work with any subcontractors. They said that they have a hard time forming relationships with Korean subcontractors, but they may try to subcontract from Vietnam in about two years.