

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	Dominican Republic
Factory name	10001950C
IEM	ALGI
Date of audit	November 15 & 16, 2004
Days in the facility	2
PC(s)	Phillips-Van Heusen
Number of workers	434
Product(s)	Pants
Production processes	Cutting, sewing, packing and shipping

FLA Code/ Compliance Issue	Findings					PC Internal audit findings	Remediation						
	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice		PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	
1. Code Awareness													
2. Forced Labor	There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise												
3. Child Labor	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.												
4. Harassment or Abuse	Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.												
5. Nondiscrimination	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.												
6. Health and Safety	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												
General Health and Safety conditions		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	Pulley guards were missing from sewing machines (approximately 10%).	Health and Safety walkthrough.			Install pulley guards on all machines as required.	2/25/2005	[Factory] commits to complete the pulley guards installation by the given date	During the follow up visit conducted on April 5, 2005, this issue has been corrected.	Documentation and photos of this correction are maintained on file at the PC regional office.		
Ventilation/Electrical/facility maintenance		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	Stain removing station is located in production area and ventilation system is not adequate.	Observation of facility			Factory needs to install a vented hood to improve ventilation	2/25/2005	Management will analyze the situation to study possible solutions.	During the follow up visit conducted on April 5, 2005, vented hoods have been installed.	Documentation and photos of this correction are maintained on file at the PC regional office.		
7. Freedom of Association and Collective Bargaining	Employers will recognize and respect the right of employees to freedom of association and collective bargaining												
8. Wages and Benefits	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												
x. Accurate benefit compensation	As per D.R. Dep. Of Labor communication (2004), the practice of ending contracts at the end of the year to rehire the employee few days or weeks later, is a violation inflicted on the employees' rights to use their length of service to increase their benefits calculations.	All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled	Employees/employer work contract are terminated prior to the end of the calendar year, workers are paid all severance payments earned and rehired on the following month (January). Benefits as accumulated severance pay is lost as there is no continuity of work contract.	Payroll, personnel files, time records and management acknowledgment of practice			PC Research: This practice began over 20 years ago, in the free zone, and has been a common practice in approximately 95% of the factories located in the free zones. Although it is true that workers may lose benefits acquired by seniority (i.e. severance after 1 year of work is 21 days per year worked and severance after 3 years of work is 23 days per year worked), the benefits to the workers are more beneficial monetarily. (A) if a worker resigns, he/she is not entitled to any severance pay, (B) if a worker is terminated in 10 years he/she may received severance based on his/her last salary, but due to devaluation, this salary may be less than the salary in dollars of 10 years ago, (C) workers actually like this payment, and look forward to receiving the severance at the end of the year, and would not want to work in a factory that does not has this practice implemented. In the last few years, factories have wanted to stop this practice but no one would do it alone, and could not reach agreement with all factories to do the same. In fact, factories want to stop this practice because it is a huge economic impact at year end.						
9. Hours of Work													

Findings						Remediation						
FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
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	Art. 155 of the DR Labor Code states that in case of prolonging the normal hours to overtime, the limitation shall be no more than 80 overtime hours per quarter.	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.	Facility does not maintain a system to track overtime. As a result during peak seasons, as per company management acknowledgement, employee interview and review of time records, the packing department exceeds the 80 overtime hour limitation allowed by law.	Time records, employer interviews, employee interviews.			Factory needs to discontinue the practice of allowing workers' hours to exceed the 80 hours of overtime per trimester	2/25/2005	The factory's monitoring report is being printed every week in order to control and prevent employees from working beyond the 80 hours of overtime per trimester. No employees have been working beyond the 80 hours since the audit.	During the follow up visit conducted on April 5, 2005, auditor reviewed time cards and payroll records to find that there are no workers employed beyond the 80 hours of overtime per trimester	Documentation of this correction are maintained on file at the PC regional office.	

FLA Code/ Compliance issue	Findings					PC Internal audit findings	Remediation					
	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice		PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice
10. Overtime Compensation												
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.												
OT Compensation	Article 147 - The normal duration of the work period is determined in the contract. It cannot exceed eight hours per day nor forty-four hours per week. All hours outside of the mentioned limitations are overtime. Article 150 DR Labor Code: employees exempt from overtime compensation are managers, employees of direction and supervisors.	The factory shall comply with applicable law for premium rates for overtime compensation	Mechanics and maintenance staff do not log hours of work. Their work goes parallel with production lines that often work overtime. Mechanics, cutters and cleaners are categorized as salaried employees and are not compensated for OT .	Employer & employee interviews and time records observation			Insure all mechanic and maintenance staff clock in and out and that all hours are recorded and all overtime hours are compensated. Article 147 - The normal duration of the work period is determined in the contract. It cannot exceed eight hours per day or forty-four hours per week. All hours outside of the mentioned limitations are overtime. Article 150 DR Labor Code: employees exempt from overtime compensation are managers, employees of direction and supervisors.	2/11/2005	All mechanic and maintenance staff will be changed to work by hour, employees badges and clock in and out system are being changed.	During the follow up visit conducted on April 5,2005, auditor reviewed time cards and payroll records to find that all mechanic and maintenance staff have been changed to hourly workers. Records have been reviewed to reflect that these workers are clocking in and out, and are being paid at the appropriate and legal overtime compensation rate. Labor contracts have also been amended to reflect that these workers are now paid by the hour.	Documentation of this correction are maintained on file at the PC regional office.	
OT Compensation	Article 164: If an employee works during the rest period (Saturday noon and Sunday), he/she must be compensated at an overtime rate of 100% over the regular.	The factory shall comply with applicable law for premium rates for overtime compensation	At the present time, facility pays 35% over the regular for overtime hours on Saturdays. Saturday work is common during peak season.	Payroll records; employee interviews.			Insure that workers working on Saturday or passed the normal established work week are compensated 100% over regular pay and insure that all workers have at least one day of rest in seven. Article 164: If an employee works during the rest period (Saturday noon and Sunday), he/she must be compensated at an overtime rate of 100% over the regular pay	1/14/2005	[Factory] has insured that all workers working Saturday are compensated 100% over regular pay	During the follow up visit conducted on April 5,2005, auditor reviewed time cards and payroll records to find that all workers working overtime hours are paid the legal amount due to them - 100% over the regular pay.	Documentation of this correction are maintained on file at the PC regional office.	
Other	Art 203 of the DR labor regulations: all overtime hours worked in excess of 68 (regular and overtime) per week must be compensated at the rate of 100% over the regular.		Facility does not have a formula in their payroll system to compensate employees who work over 68 hours per week. This results in miscalculation of overtime (hours after 68 are not compensated at 100%). Audit team observed sporadic conditions that exceeded the 68 hours per week.	payroll records; employee and management interviews.			Discontinue the practice of allowing workers to exceed 60 hours of work per week and insure that overtime is paid 100% over regular pay during extraordinary business circumstances. Art. 203 of the DR labor regulations: all overtime hours worked in excess of 68 (regular and overtime) per week must be compensated at the rate of 100% over the regular.	1/15/2005	This practice will be discontinued immediately.	During the follow up visit conducted on April 5,2005, auditor reviewed time cards and payroll records to find that workers are not working in excess 60 hours per week. If overtime shall occur, legal compensation rate will be paid to all workers.	Documentation of this correction are maintained on file at the PC regional office.	
Miscellaneous												