

*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	China
Factory name	10001572C
IEM	Global Standards
Date(s) in facility	Oct 24,25
PC(s)	Phillips-Van Heusen
Number of workers	1300
Product(s)	Shoes
Production processes	Cutting, sewing, polish, sanding, gluing

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>												
Code posting/information		<b>FLA Principle of Monitoring, Obligation of Companies:</b> Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	No code posted	visual inspection	Yes			Factory will post code of conduct in a visible location where it is accessible to all workers	In March	During the follow up visit on July 4 & 5, 2005, factory has posted PVH's code of conduct. This was verified through observation of the auditor.	Relevant docs on file	
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	Workers do not have a clear understanding of the CoC [code of conduct] - need for training.	worker interviews	yes			Regular trainings need to be provided to supervisors and workers to ensure they are informed of all of the Code of Conduct elements once it is established.	Feb 25, March 4, 11, 25, 2005	During the follow up visit on July 4 & 5, 2005 factory has not yet implemented the code of conduct trainings in the factory.		
Confidential non-compliance reporting channel		<b>FLA Principle of Monitoring, Obligation 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.	No such procedure in place.	visual inspection	yes			Suggestion box implemented on Jan 1, 2005. Written procedure is established and informed workers since Jan 05	Jan 1, 2005	During the follow up visit on July 4 & 5, 2005, it was confirmed through observation and workers' interviews that the factory has a grievance procedure	Relevant docs on file	
<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												
Freedom in Employment		All workers will have the right to enter into and to terminate their employment freely.	Supervisor did not let the workers resign (or pay would be held).	management interview	yes			New rule has been established since Dec 04. Workers has the right to leave their jobs freely. Training will be provided to supervisors and workers to ensure the rights	31-Mar-05	During the follow up visit on July 4 & 5, 2005 it was confirmed that this practice has been discontinued. It was confirmed through the interviews of management and workers		
Freedom of Movement		Employers are prohibited from practices that restrict a worker's ability to terminate his or her employment or freedom of movement, including physical or mental coercion, deposits, unreasonable financial penalties or recruitment fees, and access to and renewal of identity papers and/or work permits or other legal identification documents.	Supervisor did not let the workers resign (or pay would be held).	management interview	yes			New rule has been established since Dec 04. Workers has the right to leave their jobs freely. Training will be provided to supervisors and workers to ensure the rights.	31-Mar-05	During the follow up visit on July 4 & 5, 2005 it was confirmed that this practice has been discontinued. It was confirmed through the interviews of management and workers.		
<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.												
<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>												

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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												
Evacuation Procedure	Fire Prevention Law article 14.6, governmental depts., social org., enterprises and institutions shall make sure that the evacuation signs that meet state regulations.	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		visual inspection	yes		Clear and unblocked fire lanes throughout the factory					
Safety Equipment	Type A: combustible materials: wood, cloth, paper and many plastics, Type B: Fires in flammable liquids, combustible liquids,	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		visual inspection	yes		First aid kits in all production areas.					
PPE	Safety Manufacturing Law, Article 37, manufacturers shall provide personal protective equipment to employees. Manufacturers shall supervise and train employees to properly wear and use the personal protective equipment.	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.	PPEs are not in use at some areas of necessity. Many PPE are not appropriate for hazards and other operations require appropriate PPE (goggles, respirator, and appropriate masks).	visual inspection	yes			Retrain workers of the awareness of PPE.	31-Mar-05	During the follow up visit on July 4 & 5, 2005, it was confirmed that the factory has provided workers with the necessary personal protective equipment. The factory has trained workers on its use and benefits. This was confirmed through observation and workers' interviews.	Relevant documentation on file	
Chemical Management	Factory Safety and Health rules, Article 60, hazardous goods poisonous and hazards goods shall be stored at specific locations separately, and shall be managed with stringency.	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	Need to complete labeling process on the 1st floor.	visual inspection	yes			All chemicals will be labeled by April 1, 05.	April, 05	During the follow up visit on July 4 & 5, 2005, it was confirmed that the factory has labeled all chemicals. This was verified through observation and documentation.	Relevant documentation on file	
Machinery Maintenance	Factory Safety and Health rules, Article 32, protection devices shall be mounted on dangerous parts, e.g. driving belt, open gear, grinding wheel, electric saw, axial ring that is close to ground, rotary axle, belt pulley and flywheels.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	The die cut machines had their double buttons disabled (one hand operation only) and some sanding machines missing exhaust outlets.	visual inspection	yes			Recheck all machines with double buttons and functional. Retrain workers of the awareness and associated benefit of using PPE.	31-Mar-05	During the follow up on July 4 & 5, it was confirmed that this issue was corrected. This was verified through observation	Relevant documentation on file	
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	Drinking water is not readily available in most of the production areas (Management told us that other private auditors informed the factory that water supplies should be guarded for poisoning and they should remove the	visual inspection	yes			20 water dispensers have been installed.	31-Mar-05	During the follow up visit on July 4 & 5, 2005, it was confirmed that water dispensers have been installed. This was verified through observation	Relevant documentation on file	
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		visual inspection	yes		Excellent fire safety practices.					
<b>7. Freedom of Association and Collective Bargaining</b>												

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		<p><b>FLA Comment:</b> <i>The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative</i></p>									
<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											
Record Maintenance		All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	Warehouse documents evidence that there is Sunday work performed, but it is not documented in the payroll.	worker interviews and document inspection	yes			Due to peak season and power failure, workers are not given one day off per 7-day week. We will compensate to those workers. We will add part time workers during peak season and increase workforce and ensure one rest day per week by Mar 31, 05. 200		During the follow up on July 4&5, 2005, there had been no improvement on this issue.	
Accurate recording of wage compensation		All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	No evidence of actual hours and OT hours worked.	worker interviews and document inspection	yes			Factory needs to accurately record all wages and compensation paid to workers		During the follow up on July 4&5, 2005, there had been no improvement on this issue.	
Voluntary Use of Benefits	No. 489, under the Temporary Provision of Salary Payment. Article 15, the employer should not deduct from the worker's salary for the following circumstances: 1)personal income tax 2)social insurance not afforded by the individual 3) the fine/fee requested in a judgment/trial 4) other expenses as ruled by law.	All workers have a right to use or not to use employer provided services, such as housing or meals	The factory has no evidence that deductions for meals and housing are voluntary.	worker interviews and document inspection	yes			We ensure workers can use dormitory and meal services in voluntary basic. Charges will be deducted in payroll and workers will sign payroll for confirmation of deduction. Rules will pass down to workers by Mar 31, 05.		During the follow up on July 4&5, 2005, there had been no improvement on this issue.	
Legal benefits	Article 72, PRC Labor Code, the sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.	Employers will provide all legally mandated benefits to all eligible workers	No social security or medical insurance provide to some workers.	document review	yes			Work injury will be 100%, the rest of categories, we will guarantee at least 30% are enrolled at the first year and additional 30% each year till it reach 100%.	8-Dec-05		
<b>9. Hours of Work</b>											

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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											
Time-recording system		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	Sunday work not recorded	document review	yes			Due to the old system, Sunday work could not be recorded. New system has been in placed by Mar 31, 05. All work hours will be recorded and reflected on time cards by the new scanning system. We will hire 200 more workers to increase the work force and reduce working hours.	31-Mar-05	During the follow up on July 4&5, 2005, there had been no improvement on this issue.	
False Payroll Records		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.	Sunday work not recorded	document review	yes			Same as above		During the follow up on July 4&5, 2005, there had been no improvement on this issue.	
<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.											
Accurate recording of OT hours worked		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	Sunday work not recorded	document review	yes			Same as above.		During the follow up on July 4&5, 2005, there had been no improvement on this issue.	
<b>Miscellaneous</b>											