

*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.

<b>FLA Audit Profile</b>	
Country	Hong Kong SAR, China
Factory name	10031545D
IEM	Global Standards
Date(s) in facility	22-Jul
PC(s)	Eddie Bauer, Liz Claiborne, Inc., Phillips-Van Heusen
Number of workers	100
Product(s)	shirts, skirts and trousers
Production processes	sewing and samples

FLA Code/ Compliance issue		Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings			PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Joint audit with Liz Claiborne, Inc. and Eddie Bauer on 10/4/05)	Documentation	(Status)	
						Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company						
<b>1. Code Awareness</b>															
Worker/management awareness of Code			<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 formal training conducted and no record of such activity.				visual inspection and records review		Factory needs to provide continuous training to its workers and supervisors on code of conduct elements.	on going	Fly responded they will schedule training every 3 months.	COC training was provided to workers on 9/7/05	Internal training material reviewed and copied.	During interview, found workers do not aware the contact numbers listed on COC of PC, some workers still not quite understand what is COC, suggest further training is recommended.
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.	PC has not posted a telephone number or other secure channel for workers grievances.						Will do immediately	September 1,2005	Factory responded PC's COC has been posted and there is contacts of PC since posted. Photos has been sent to PC to Liz Claiborne, Inc. and Phillips-Van Heusen after FLA's audit to rectify the situation	Cfm situation is correct	Photos taken	Completed
<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.															
<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															
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.	Only workers using sewing machines creating excessive dust are wearing masks.						Will verify the situation at the factory	September 1,2005	Factory responded, it depends on what types of work and fabric the workers do to have mask to wear.	During interview, workers confirmed it really depends on what type of work and fabric. In addition, workers are free to request masks from management.	N/A	Completed
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	Although, the sewing area is air-conditioned, air testing or better ventilation is recommended.						Need guideline from FLA	September 1,2005	Need guideline from PC or FLA for the air quality testing	During factory tour, auditors do not find any problem of the ventilated air. However, auditors found some ventilation do have excessive lint build-up.	Photos taken	Completed. PC recommends fly to have regular cleaning.
Record Maintenance			All safety and accident reports shall be maintained for at least one year, or longer if required by law	Needle pricks are listed on a tag at the sewing machines - no central.Liz Claiborne, Inc.ed filing of injuries/accidents.						Need to verify the situation	September 1,2005	Factory responded they do keep injury records in office.	During factory tour, auditors found injury logs are attached to First aid kits.	Photos taken	Completed
Worker Participation			Workers should be involved in planning for safety, including through worker safety committees	Workers are not involved in safety committee as committee does not exist.						Need to verify the situation	September 1,2005	Appointed *** in charge of the H&S committee, training to workers is held periodically.	During interview, workers told they will express their ideas through suggestion box.	Doc copied	Completed PC recommends monthly meeting

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				Documentation	[Status] Completed; Pending; On-going
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Joint audit with Liz Claiborne, Inc. and Eddie Bauer on 10/4/05)		
<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														
		<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 improve the functioning of the labor relations mechanisms.</i></p> <p><i>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 agreements.</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														
<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														
<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>														