

*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 Code	Findings				Remediation			Remediation Up-date		
	FLA Code Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	Corrective Action Plan	PC Comments/Remediation	Documentation	PC remediation plan	Completion Date	Documentation
<b>5. Nondiscrimination</b>										
Maternity Leave	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: Legally mandated benefits will be provided or paid in full within legally defined time periods. In accordance with the PRC Labor article 62, childbearing leaves with pay for female workers shall be at least 90 days.	It was noted that the factory did not provide such benefits to workers.			According to the contractor's confirmation dated Sept 13, 2002, childbearing leaves with pay will be informed and provided for female workers when they have worked in the factory for one full year.	The factory should provide maternity leave to female workers regardless the period of employment.		The factory should provide childbearing leave with pay to female workers. The PC will continue to review payroll records and interview workers to confirm compliance.	The factory established a new policy to provide maternity leave with pay to female workers according to local regulations on July 15, 2002. The PC visited the factory on October 30, 2002 and confirmed that these new policies were posted at the notice board located at the production floor and were written pursuant to Article 62 of the Labor Law of the PRC. The PC interviewed [ ] workers and confirmed that they were aware of the maternity benefits.	A copy of the new policy is included in the PC's internal file.
<b>6. Health and Safety</b>										
Handrails	FLA Code Benchmark V. Health and Safety: 1) 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. 2) All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. In accordance with Factory Safety and Sanitary Regulations article 11, the exit of elevator and balcony should add handrail, moreover, the length of handrail should not less than 1.1 m.	It was noted that no handrail was installed at staircase on sewage treatment equipment.			According to the contractor's confirmation dated Sept 13, 2002, handrail will be installed at staircase on sewage treatment equipment by the end of October, 2002.	Participating Company will confirm that these actions were taken.		Install handrail at staircase on sewage treatment equipment.	The factory confirmed that the corrective actions were taken on October 9, 2002. The PC visited the factory on October 30, 2002 and confirmed that the handrail was properly installed.	Photographs confirming corrective actions are included in the PC's internal file.
Machine Safety	FLA Code Benchmark V. Health and Safety: All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner. According to the Factory Safety and Sanitary Regulations article 32, hazardous parts like conveyor belt, sewing machine shall be equipped with protective devices.	It was noted that coming machines located on 1/F of production building that next to raw material warehouse were not installed with belt guard.			According to the contractor's confirmation dated Sept 13, 2002, coming machines located in the factory has already been installed with belt guard.	Participating Company will confirm that these actions were taken.		Install belt guards on coming machines.	The factory confirmed that the corrective actions were taken on September 13, 2002. The PC visited the factory on October 30, 2002 and confirmed that the coming machines located on 1/F of the production building were installed with belt guards.	Photographs confirming corrective actions are included in the PC's internal file.

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<b>7. Freedom of Association and Collective Bargaining</b>										
<b>8. Wages and Benefits</b>										
Poor time-recording system	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All compensation shall be paid in a timely manner. 6) All legally required payroll documents, journals and reports will be available complete, accurate and up-to date.	In accordance with FLA Compliance Benchmark VII B, wages could not be verified due to the following reasons: 1.) [Some] interviewees stated that they did not need to punch time card as the working hours were registered by leader. However, the factory did not provide the related attendance record for checking. 2.) According to the factory wage calculation system, the overtime wage was paid at 150%, 200% and 300% of normal wage rate. However, piece rated workers stated that the overtime payment was RMB 0.5 plus piece rate per hour during overtime work at nights. 3.) [Some] interviewees stated that they affixed their seals in payroll instead of signing. However, the payroll records with all workers' signatures were provided by the factory management. 4.) [Some] interviewees stated that the wage of April 02 was paid on 10th - 15th June 2002 and the wage of May 02 had not yet paid to them. However, the factory management claimed that the wage of May 02 had been paid on 15th June 2002.			According to the contractor's confirmation dated Sept 13, 2002, regular working hours, overtime working hours can now be verified from the time card system. The wages can also be verified.	P.C. will check the time records and interview the workers on a quarterly basis until satisfied that the working hours are completely recorded and the workers are being paid properly and timely. The factory is now on a probationary status.		Time worked by all workers should be properly documented by either by time cards or reliable electronic time scanning machine. The PC will review the time recording system again in March 2003. The PC feels this to be a serious issue and discouraged by the lack of improvement in this area. A follow up audit will take place in March 2003. The factory will be on probation (will not be given future orders) if they are not found to be in compliance by the next audit.	The PC visited the factory on October 30, 2002 and could not verify the corrective actions taken by the factory due to the following reasons : (a) Daily Production Reports showed that workers worked on Sundays whereas the time cards indicated that workers were off. (b) Twenty workers were selected for interviews. [Some] workers stated that the amounts they earned were significantly different from the amount stated on the payroll records. (c) Several of the workers' signatures varied from month to month, (ie. from April to September, 2002).	
	7) The factory shall comply with applicable law for premium rates for overtime compensation.	5.) [Some] interviewees stated that they had ever overtime worked at nights in March 02. However, no any overtime at nights were shown in time card of March/02.								
Record Keeping	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All legally required payroll documents, journals and reports will be available complete, accurate and up-to date. In accordance with FLA Records Review, the factory should keep 12 months payroll record and time cards for review.	It was noted that the factory only provided one month (March 2002) time cards and payroll records for review.			According to the contractor's confirmation dated Sept 13, 2002, time cards and payroll records for the month of March 2002 and onwards are available for review.	P.C. will check the time records/payrolls and interview the workers on a quarterly basis until satisfied that the working hours are completely recorded.		The factory should maintain twelve months of payroll records and time cards for review. In view of the poor time-recording system identified above, the PC will review the payroll records again in March 2003.	The PC visited the factory on October 30, 2002 and noted that the factory was able to provide the PC with the payroll records from April to September 2002.	

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Lack of legal benefits	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: Legally mandated benefits will be provided or paid in full within legally defined time periods. In accordance with the Provisional Regulations for Guangdong Province employees' Leave Compensation article 2, employee who had been employed for 1 year or more, entitled to enjoy paid annual leave, number of annual leave depends on the employment period: I. 5 days for workers working equal or above 1 year and below 5 years. II. 7 days for workers equal or above 5 years and below 10 years. III. 10 days for workers working equal or above 10 years and below 20 years. IV. 14 days for workers equal or above 20 years.	It was noted that the factory did not provide paid annual leave benefits to workers.			According to the contractor's confirmation dated Sept 13, 2002, workers who has worked in the factory for one full year above and 5 years below will be compensated with either 5 days' annual leave, or an amount equal to 5 days of his/her average daily wages, whichever are preferred by workers.	The factory established policy to provide annual leave with pay to workers according to the local regulations. However, it is not a must to take the annual leave. The factory argues that the workers should have a right to decide whether they want to take the leave or not. PC needs to follow up to ensure that the factory encourages the workers to take the holidays, as stipulated by law.		The factory should provide paid annual leave benefits to workers. The PC will review the payroll records in March 2003 to confirm that the workers are being properly paid for sick leave and annual leave.	The factory established a new policy to provide annual leave with pay to workers according to local regulations on July 15, 2002. The PC visited the factory on October 30, 2002 and confirmed that these new policies were posted at the notice board located at the production floor and were written pursuant to Article 2 of the Provisional Regulations for Guangdong Province Employees' Leave Compensation. The PC interviewed twenty workers and confirmed that they were aware of the pay annual leave benefits.	A copy of the new policy is included in the PC's internal file.
Workers unclear of wages and benefits	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Employers 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. 2) Accurate and reliable payroll reporting, including pay stubs will be provided. In accordance with Provisional Regulations for the Payment of Wages article 6, employing units shall provide workers with a copy of his/her payroll when they pay wages.	It was noted that no pay stub was provided for the workers when the factory pay wages.			According to the contractor's confirmation dated Sept 13, 2002, pay stub is provided for each worker's verification during factory release wages.	Participating Company will confirm that these actions were taken.		The factory should provide information to workers at the time when they are paid which will enable them to clearly understand the calculations of their earnings and deductions. The PC will continue to review pay stubs during the next factory visit in March 2003.	The PC visited the factory on October 30, 2002 and noted that the factory had not yet provided a pay stub to workers. The PC subsequently received a sample pay stub from the factory in November 2002 and after review found the information to be adequate.	
Payment of Wages	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: All compensation shall be paid in a timely manner. In accordance with the Notice of the Ministry of Labor, the Ministry of Public Security and the All-China Federation of Labor Unions concerning Strengthening Labor Management in Foreign Investment Enterprises and Private Enterprises and the Effective Safeguarding of the Legal Rights and Interests of Workers - Ministry of Labor Document No.118 (1994) art. 3. An enterprise shall pay employees' wages in full, on schedule and in the form of currency, and shall not delay payment or embezzle wages.	It was noted that [some] selected workers stated that they received wages around 40 to 45 days after the working period.			According to the contractor's confirmation dated Sept 13, 2002, wages will be paid to workers around 30 to 35 days during peak season and within 30 days during slack season.	The factory should continue to improve the payroll system in order to pay the workers within 30 days both in peak and slack seasons.		The factory should pay workers within 30 days after the working period.	The factory confirmed that the corrective actions were taken on September 13, 2002. The PC visited the factory on October 30, 2002 and interviewed [ ] workers confirming that workers received wages within 30 days after the wage period. September's salary was settled on October 18, 2002.	

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Labor Contracts	FLA Code Benchmark I. Forced Labor: Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision. In accordance with the RPC Labor Law article 16, the factory shall sign labor contracts with employees to establish a work-base relationship.	It was noted that the factory only 500 out of 3572 workers signed labor contracts with factory. Remark: The factory management claimed that the rest of employees not signing contract are in the process to be completed.			According to the contractor's confirmation dated Sept 13, 2002, signing of labor contract is in progress and completion is expected to be by the end of October, 2002.	Participating Company will confirm that these actions were taken.		The factory should ensure the completeness of labor contracts by requiring all contracts be signed by both parties.	The factory confirmed that the corrective actions were taken on October 9, 2002. The PC visited the factory on October 30, 2002 and reviewed the labor contracts, randomly selecting twenty five samples from personnel and payroll records, confirming that both parties had signed the contracts. The PC noted that all labor contracts were endorsed by local labor bureau. The PC interviewed [ ] workers and confirmed that the workers had signed their labor contracts.	Five labor contracts are included in the PC's internal file.
<b>9. Hours of Work</b>										
Poor Record-Keeping	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All legally required payroll documents, journals and reports will be available complete, accurate and up-to date.	In accordance with FLA Compliance Benchmark VII B, working hours could not be verified due to the following reasons: 1.) [Some] interviewees stated that they did not need to punch time card as the working hours were registered by leader. However, the factory did not provide the related attendance record. 2.) [Some] employees stated that they had worked overtime at nights in March 02. However, no any overtime at nights were shown in time card of March/02. 3.) All time cards of March 02 appeared to be brand-new and time in and out were obviously same.			According to the contractor's confirmation dated Sept 13, 2002, regular working hours, overtime working hours can now be verified from the time card system.	P.C. will check the time records and interview the workers on a quarterly basis until satisfied that the working hours are completely recorded and the workers are being paid properly and timely. The factory is now on a probationary status.		Time worked by all workers should be properly documented by either by time cards or reliable electronic time scanning machine. The PC is discouraged with the factory's lack of cooperation in this area. The PC will review the time recording system again in March 2003. The factory will be on probation if they are not found to be in compliance by the next audit.	The PC visited the factory on October 30, 2002 and could not verify the corrective actions taken by the factory due to the following reasons : (a) Daily Production Reports showed that workers worked on Sundays whereas the time cards indicated that workers were off. (b) Twenty workers were selected for interviews. [Some] workers stated that the amounts they earned were significantly different from the amount stated on the payroll records. (c) Several of the workers' signatures varied from month to month, (ie. from April to September, 2002).	
<b>10. Overtime Compensation</b>										
Time-keeping system, Overtime wage rate	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All compensation shall be paid in a timely manner. 6) All legally required payroll documents, journals and reports will be available complete, accurate and up-to date. 7) The factory shall comply with applicable law for premium rates for overtime compensation.	(See also wages and benefits) In accordance with FLA Compliance Benchmark VII B, working hours could not be verified due to the following reasons: 1.) [Some] interviewees stated that they did not need to punch time card as the working hours were registered by leader. However, the factory did not provide the related attendance record. 2.) According to the factory wage calculation system, the overtime wage was paid at 150%, 200% and 300% of normal wage rate. However, piece rated workers stated that the overtime payment was RMB 0.5 plus piece rate per hour during overtime work at nights. 3.) [Some] interviewees stated that they affixed their seals in payroll instead of signing. However, the payroll records with all workers' signatures were provided by the factory management.			According to the contractor's confirmation dated Sept 13, 2002, regular working hours, overtime working hours can now be verified from the time card system. The overtime compensation can also be verified.	P.C. will check the time records and interview the workers on a quarterly basis until satisfied that the working hours are completely recorded and the workers are being compensated properly and timely. The factory is now on a probationary status.		Time worked by all workers should be properly documented by either by time cards or reliable electronic time scanning machine. The PC will review the overtime compensation again in March 2003. The factory will be on probation if they are not found to be in compliance by the next audit.	The PC visited the factory on October 30, 2002 and could not verify the corrective actions taken by the factory due to the following reasons : (a) Daily Production Reports showed that workers worked on Sundays whereas the time cards indicated that workers were off. (b) Twenty workers were selected for interviews. [Some] workers stated that the amounts they earned were significantly different from the amount stated on the payroll records. (c) Several of the workers' signatures varied from month to month, (ie. from April to September, 2002).	

