

*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	Macau
Factory name	08004446E
IEM	TUV Rheinland Hong Kong Ltd.
Date(s) in facility	10 November, 2006
PC(s)	Nordstrom, Inc.
Number of workers	35
Product(s)	Apparel
Production processes	Knitting, washing, ironing, packaging

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation				Status	Updates (Cite Date of Follow up)		Third-Party Verification (Date)	Verification Documentation	Company Verification Follow up			
			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 (Cite date of follow up)	Documentation			Company Follow up	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation
<b>1. Code Awareness</b>																				
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 non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.		Workers did not know how to report their feedback to FLA affiliated company.							12/1/06: Please post PC code of conduct poster for workers to review and train workers in orientation how to report suggestions.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified poster is available for workers to review.						
<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																				
<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																				
Age Verification		In those cases where proof of age documentation is not readily available, employers will take precautions to ensure that all workers are at least the minimum working age, including medical or religious records, or other means considered reliable in the local context.		There is no policy for age verification during recruitment.		Management interview					12/1/06: Please create policy for age verification during recruitment to ensure workers are of legal working age.	1/5/2007		3/27/2007: PC's agent conducted a re-audit and confirmed that a policy on child labor and age verification was established.						
<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 or abuse.																				
Other				Harassment procedure was not posted.							12/1/06: Please post harassment policy and procedure for the workers to review.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified that the Harassment policy is established and posted in the premises.						
<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.																				
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.		Discrimination procedure was not posted.		Management interview.					12/1/06: Please post discrimination policy and procedure for the workers to review.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified that the Anti-discrimination policy was established and posted in the premises.						
<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		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.		MSDS of chemicals used in workshop were not available.		Management interview, visual inspection					12/1/06: Please post MSDS of chemicals used in the workshop for the workers to review.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified that the MSDS is posted in the local language.						
Evacuation Procedure		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.		Fire drill was done on 9/29/06. However, the drill only did in day time not include the night shift. Also the fire drill evaluation report was not prepared.		Management interview and factory records review.					12/1/2006: Please ensure that all shifts conduct fire drills and documented including the evaluation.	4/1/2007		3/27/2007: PC's agent conducted re-audit and verified that fire drills were conducted on March 26, 2007 for both day & night shift workers. Fire drill records were provided for review.						
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.		Some fire extinguishers were obstructed by goods.		Visual inspection					12/1/06: Please ensure that fire extinguishers are free from obstruction at all times. Please use yellow lines to show that the area is to remain clear.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified that all fire extinguishers were accessible.						
Other				Health and safety regulations were not collected. Labor laws w[ere] not posted.		Interview with administration officer and workshop supervisor.					12/1/06: Please post all health and safety regulations, policies and labor laws for workers to review.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified Health & safety regulations and Labor laws are posted.						
<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.																				
Wage Benefits Awareness		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.		Salary calculation, benefits of workers were not written down.		Management interview					12/1/06: Please add salary calculation and benefits of workers to an employee manual or posted for their review.	1/5/2007		3/27/2007: PC's agent conducted re-audit and verified that factory had documented salary calculation and benefits, which included working hours (normal and overtime), holiday pay, net pay, gross pay and deduction on worker's attendance and piece rate records. Workers are required to sign on their attendance cards by the end of each month to confirm their wages breakdown and working hours.						

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings				Remediation				Status	Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up		
					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 (Cite date of follow up)		Documentation	Completed, Pending, On-going	Company Follow up	Documentation	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)
<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.																				
Overtime Limitations		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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Total working hour of automatic knitting machine operators is 63 hours (48 hour per week + 15 hour overtime) [There is no limit of overtime working hour in Macau. But the practices violate FLA requirement]				Factory records review and management interview		12/1/06: Please create a policy that all workers work no more than 60 total hours per week. The set working hours shouldn't exceed 60 per week.	1/5/2007		3/27/2007: PC agent verified that knitting machine operators' hours are at 60 hours and below based on the attendance and payroll records of 2nd half of Dec 2006 - 1st half of Mar 2007; working hours did not exceed 60 hours per week.	Completed							
<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>																				