

FLA Audit Profile	
Country	China
Name of Factory	640015605F
Independent External Monitoring Organization	Level Works Limited
Date(s) in Facility	June 18-19, 2007
FLA Affiliated Compan(ies)	Yee Tung Garment Co., Ltd.
Number of Workers	520
Product(s)	Apparel
Production Processes	Cutting-Sewing-Pressing-Inspection-Packing

FLA Code/Benchmark	Compliance Status	Describe noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	List sources/documentation used for reference and corroborating evidence (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference	Describe notable features implemented by factory management or Company
1. Code Awareness					
GEN 1: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Noncompliance	The Company has not provided a Code of Conduct to the factory.	Management interview, document review		
GEN 3: 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.	Noncompliance	There is no noncompliance reporting mechanism which allows factory workers to contact the Company.	Management interview, worker interviews		
Other	Noncompliance	It was noted the factory did not establish and implement programs designed to prevent the major forms of noncompliance. In this audit, there is a finding of inconsistent records found. The compliance status of "Minimum Wage" "Overtime Wages" and "Overtime Hours" could not be verified.	Management interview, worker interviews, document review		
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 or abuse.					
5. Non-Discrimination					
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.					
H&S.2 Document Maintenance/Worker Accessibility and Awareness	Risk of noncompliance	Fire Safety permit was not posted in the factory.	Factory tour and management interview		
7. Freedom of Association and Collective Bargaining					
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.					

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<p>FLA Comment: The Chinese constitution guarantees Freedom of Association (FOA); 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 FOA, 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. However, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms. The Amended Trade Union Act of Oct. 2001 stipulates 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. Trade unions also have an enhanced role in dispute resolution. In Dec. 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.</p>	Noncompliance				
8. Hours of Work					
<p>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.</p>					
HOW.1 General Compliance Hours of Work	Noncompliance	The compliance status of "Overtime Hours" and "Rest Days" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that the relative workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker had injured and been sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that the relative worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that the relative workers were rest on those days.</p>		

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HOW.2 Rest Day	Noncompliance	The compliance status of "Rest Days" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
HOW.6 Time Recording System	Noncompliance	The compliance status of "Overtime Hours" and "Rest Days" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
9. Wages, Benefits and Overtime Compensation					
<p>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.</p> <p>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.</p>					

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WBOT.1 General Compliance Wages, Benefits and Overtime Compensation	Noncompliance	The compliance status of "Minimum Wages" and "Overtime Wages" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
WBOT.2 Minimum Wage	Noncompliance	The Compliance "Minimum Wages" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
WBOT.7 Payment for All Hours Worked	Noncompliance	The compliance status of "Minimum Wages" and "Overtime Wages" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		

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WBOT.8 Calculation Basis for Overtime Payments	Noncompliance	The compliance status of "Minimum Wages" and "Overtime Wages" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
WBOT.10 Premium/Overtime Compensation	Noncompliance	The compliance status of "Minimum Wages" and "Overtime Wages" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
WBOT.17 Accurate Calculation and Recording of Wage Compensation	Noncompliance	The compliance status of "Minimum Wages", "Overtime Wages" and "Overtime Hours" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		

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WBOT.19 False Payroll Records	Noncompliance	The compliance status of "Minimum Wages", "Overtime Wages" and "Overtime Hours" could not be verified due to inconsistencies noted during this audit.	<p>1. Through review of Sample Production Records, it was noted that some workers had worked at 7:04pm-8:27pm on 8th, 9th, 10th, 11th, 15th of May 2007, 7th, 8th, 12th, 13th of June 2007 (which were normal working days), but the provided barcode attendance records indicated that these workers were off duty at 5:30pm and no overtime hours at night were arranged for them on those days;</p> <p>2. Through review of Work Related Injury Records, it was noted that a worker was injured and sent to hospital for treatment at around 4:20pm on 23rd of September 2006 (which was Saturday), but the provided barcode attendance records indicated that said worker had worked as usual (off duty at 5:00pm) on that day;</p> <p>3. Through Cleansing Things Releasing Records Review, it was noted that there were releasing records on 23rd, 30th of December 2006, 13th, 27th of January 2007 (which were Saturdays), but the provided barcode attendance records indicated that these workers were not working those days.</p>		
10. Miscellaneous					
Subcontracting, homework and other issues not covered by above benchmarks and code requirements.					