

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 Monitoring Visit Profile	
Country	China
Factory name	020015125B
IEM	SGS
Date of audit	Sept 25-26, 2003
Days in the facility	2 days
PC(s)	Eddie Bauer
Number of workers	843
Product(s)	Garments
Production processes	Cutting-Sewing-Trimming-Pressing-Packing

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation				
			Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	
1. Code Awareness										
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										
Freedom in Employment	[C]ause 24 of The Implementation Provisions on China Labor Law: "Should not lodge any deposit during employ"	All workers will have the right to enter into and to terminate their employment freely.	According to factory rules, interviews with workers and verified with the management, the new workers wages would be deducted RMB148 for uniform fee if they resign within one year ****.	Factory regulations		Revise factory rules to cease practice of deducting fees for uniform.	12/31/03	Started from July 23, 2003, the new workers will not be deducted any wages for their uniforms if they resign within one year. If the uniforms are damaged or lost, they need to pay no more than RMB20 to RMB70 for the cost of different uniform.	Re-audit in Jan 2004	
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 of abuse.										
5. Nondiscrimination										
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										
Fire Safety Health and Safety legal compliance	[C]ause 61 of China Construction Law, all buildings should obtain a Building Structure Safety Certificate before the building is in use.	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	The factory could not provide the Building Structure Safety Certificate for dormitory building ****.			Obtain relevant certificate.	12/31/03	Already obtained a copy of the Building Structure Safety Certificate from the Construction and Engineering Quality Inspection Unit in Dongguan from the owner.	Re-audit in Jan 2004	
Fire Safety Health and Safety legal compliance	[C]ause 28: Health and Safety Regulations in Guangdong Province: Workshop, store and dormitory should not be located in the same building.		There is a machine repairing workshop area about 100 sq. meters at 1/F of the dormitory building A1(6 floors building, about 400 sq. meters per floor, 1/F of it are kitchen, canteen and the machine repairing workshop, 2/F ~6/F were living rooms, total 106 staffs in there now).			Written approval from relevant department to indicate acceptable set up.	12/31/03	Inspection was done by Cheung On Government in 2002, which confirmed the setup is acceptable.	Re-audit in Jan 2004	
Ventilation/Electrical/facility maintenance	[C]ause 20 of Safety Supervision Provisions on Lifting Equipment: "all elevators should obtain valid Safety Inspection Permit.	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	The factory could not provide valid Elevator Safety Inspection Permit for one evaluator ****.			Obtain relevant permit.	12/31/03	The Elevator Safety Inspection Permit has already been obtained and passed.	Re-audit in Jan 2004.	
Others (Security guards)	Regulation on Security Service in Guangdong Province: "All security guards should obtain Security Guards License."		The factory could not provide Security Guards License for all security guards (15 persons) ****.			Obtain relevant license.	12/31/03	The Security Guards License for 15 security guards has already been obtained.	Re-audit in Jan 2004.	

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation			
			Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up
7. Freedom of Association and Collective Bargaining									
Employers will recognize and respect the right of employees to freedom of association and collective bargaining									
8. 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									
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	Discrepancies between time records, production records, encouragement & disciplinary practices records were found, ie: 1) Encouragement records showed that there were four metal detection workers worked overnight on June 28, 2003, but on their time records it showed, they only worked till 20:15, on the 1st through the 3rd of June; three knitting operators worked overnight, but on their time records it showed they only worked till 20:15 on the 1st of June, 2003 (Sunday). 2) Encouragement records showed that there was one clerk and two sewing workers worked on June 22, 2003 (Sunday), and one sewing worker worked on Aug 17, 2003 (Sunday), but on their time records it showed that they [did not] work on the days [mentioned above]. 3) ****[E]ncouragement records showed that ****[approximately] 2% of the employees were punished for not [scanning] time cards every month, but on the time records, [of those employees,] the time cards were [properly scanned each day].			Ensure accurate time record keeping system is in place.	12/31/03	Accurate attendance will be shown on time IN/OUT record. If worker forgot to scan their IN/OUT time card, the wages can not be calculated. Therefore, factory has to key in the missing data for wages calculation, therefore, there is no missing data on time card.	Re-audit in Jan 2004.
Legal benefits	[C]ause 72 of China Labor Law, all employees should [be included in] social insurance.	Employers will provide all legally mandated benefits to all eligible workers	The factory only provided retirement insurance, medical insurance and unemployment insurance for about 50% of workers. [Furthermore], maternity insurance [was] not provide for all workers ****.			Provide benefits to workers in accordance to labor law.	12/31/04	There are the approval list which issued by Dongguan Government, and gives instruction for insurance coverage and percentage for the factory.	Re-audit in Jan 2004
Accurate recording of wage compensation	[C]ause 44 of China Labor Law.	All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	Due to Discrepancies between time records, production records, encouragement & disciplinary practices records, it [can not be determined] how many hours workers worked per day/week/month. As the [overtime] compensation [was] calculated according to [overtime] hours listed on time records [that did not show complete hours worked. Workers were underpaid for hours worked that were not recorded on time records.]			Ensure accurate time records to accurately calculate wages.	12/31/03	Wage compensation will be paid according to accurate time card.	Re-audit in Jan 2004.
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.	Due to Discrepancies between time records, production records, encouragement & disciplinary practices records, it [can not be determined] how many hours workers worked per day/week/month. As the [overtime] compensation [was] calculated according to [overtime] hours listed on time records [that did not show complete hours worked. Workers were underpaid for hours worked that were not recorded on time records.]			Ensure that only 1 set of uniformed records are used.	12/31/03	Wage compensation will be paid according to accurate time card.	Re-audit in Jan 2004.
9. Hours of Work									
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	[C]ause 41 of China Labor Law: ["Overtime working hours should not exceed 3 hours a day and 36 hours a month. [C]ause 38 of China Labor Law: "workers should be entitled to at least one day off in every seven day period."	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	1) According to the time cards and production records from Oct. 2002 to Aug. 2003, most workers worked 3 to 5 hours [of overtime] a day, and some 10 hours a day, and 65 to 120 hours a month ****. Additionally, due to discrepancies between time records and production records, encouragement & disciplinary practices records, there is a lack of evidence to indicate how many overtime hours workers worked per day/ week/month. 2) Based on the time cards and interview with workers, most workers without one day off per week in peak season, sometimes they have to [work] consecutively for 7 to 27 days without one day off.			Reduce hours of work to legal maximum and FLA code. Provide a day of rest [in seven].	12/31/03	Approved letter from Local Labor Dept for regular working hour as 60hrs/week. If Sunday work, factory will arrange lieu off on coming week.	Re-audit in Jan. 2004.

FLA Code/ Compliance issue	Findings				Remediation				
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up
10. 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.									
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	Due to Discrepancies between time records, production records, encouragement & disciplinary practices records, it [can not be determined] how many hours workers worked per day/week/month. As the [overtime] compensation [was] calculated according to [overtime] hours listed on time records [that did not show complete hours worked. Workers were underpaid for hours worked that were not recorded on time records.]			Ensure accurate records to for wage calculation.	12/31/03	OT wage compensation will be paid according to accurate time card.	Re-audit in Jan. 2004.
OT Compensation	[C]ause 44 of China Labor Law: "OT compensation should be paid at rate of 150%, 200% and 300% for working days, rest days and statutory holidays.	The factory shall comply with applicable law for premium rates for overtime compensation.	According to the time cards and payrolls from Oct. 2002 to July 2003, the factory only paid the [overtime] premium as per the 150% of normal pay for the [overtime] work occurred [on] Saturday which extend [over the] normal 40 hours [per] week. Additionally, due to discrepancies between time records and production records, encouragement & disciplinary practices records (refer to above), its lack of evidence to indicate how many [overtime] hours workers worked per day/week/month [and] what is the [overtime] rate the factory provided on working days and rest days.			Pay [overtime] compensation in accordance with local law.	12/31/03	Show accurate time card and paid [overtime] rate according to the Labor Law. Factory has approval letter for 5 _ days as standard working schedule from Local Labor Dept. Therefore, Saturday is a normal working day, so 150% [overtime] premium is paid when workers have [overtime].	Re-audit in Jan. 2004.
Miscellaneous									