

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 Audit Profile	
Country	CHINA
Factory name	05001592C
Item	GLOBAL STANDARDS
Date(s) in facility	SEPTEMBER 23-24, 2004
PC(s)	LIZ CLAIBORNE, INC.
Number of workers	1200
Product(s)	SWEATERS
Production processes	KNITTING, LINKING, SEWING, FINISHING

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Findings					Remediation				Company Verification Follow up		
			Monitor's Findings	Documentation (if finding was corroborated/verified through multiple sources, list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Documentation	Company follow up - January 18, 2005	Documentation	
1. Code Awareness														
Code posting/information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.		Visual inspection	Yes			Code clearly posted on all floors of the factory.						
Worker/management awareness of Code		FLA Principle of Monitoring, Obligation of Companies: 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.	Workers do not have a clear understanding of the CoC - need for training	Worker interviews	Yes			Factory should undertake efforts to educate employees about the standards on a regular basis.	The factory confirmed that the corrective actions had been taken on October 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that the Code be properly addressed to all workers.	The factory agreed to educate the workers about the Code of Conduct twice a year.	Training records and interview forms	The PC visited the factory on January 18, 2005 and confirmed and verified that employees are aware of Liz's CoC. Factory provided the training records that showed a meeting was held on 10/30/2004 to address Liz's CoC to all employees. According to the records, the employees at all sections have been trained on all provisions of Liz's CoC. Worker interviews revealed awareness of Liz's CoC. The factory management also represented that such training will be conducted at least twice a year and it is an on-going process.	Training records, worker interviews and interview form.	
Confidential non-compliance reporting channel		FLA Principle of Monitoring, Obligation of Companies: 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.		Visual inspection	Yes			Best Practice: a telephone number and address of the Liz Claiborne contact are listed on the CoC poster.						
2. Forced Labor														
There will not be any use of forced labor, whether in the form of prison labor, bonded labor or otherwise			N/A											
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.			N/A											
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.			N/A											
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.			N/A											
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														
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 are available but not posted at all storage areas specifically	Visual inspection	Yes			Factory should post proper MSDS at all storage areas and label them clearly.	The factory confirmed that the corrective actions had been taken on September 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that MSDS be posted at all storage areas.	The factory agreed to post MSDS at all storage areas.	A copy of MSDS and photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that MSDS for various chemicals had already been posted on all storage areas.	MSDS (at all storage areas)	
Evacuation Procedure	Fire Prevention Law article 14.6, governmental dept., social org., enterprises and institutions shall make sure that the evacuation signs that meet state regulations.	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	Evacuation plan on several floors of Building X and X do not match the layout in the plans.	Visual inspection	Yes			Factory should post evacuation plan at each production floor and the plan should clearly specify the plant layout in details.	The factory confirmed that the corrective actions had been taken on November 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure the evacuation plan match with the layout in the plans.	The factory agreed to make the evacuation plan match with the plant layout.	A copy of evacuation plan and photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that the evacuation plan is revised and matched with the facility layout, and is posted at all emergency exits. The evacuation plan basically include the location of fire equipment, evacuation direction, exit, etc.	Revised evacuation plan	
Safety Equipment	Type A: combustible materials: wood, cloth, paper and many plastics. Type B: Fires in flammable liquids, combustible liquids, petroleum gases, tars, oils, oil-based paints, solvents, lacquers, alcohol and flammable gases. Type C: Fires that involve energized electrical equipment where the electrical nonconductivity of the extinguishing media is of importance. (OSHA Website: www.mysafetysite.com)	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	Fire extinguishers in the production areas are 2 types: ABC and BC (in many sewing/knitting areas only BC were found). On the 4th floor a first aid kit was found not adequately stocked (no maintenance record present).	Visual inspection	Yes			Factory should provide Type ABC fire extinguishers throughout the factory and ensure that all fire extinguishers be properly in place, maintained as prescribed, and easily accessible to employees. Moreover, the first aid kit should be adequately stocked and records are properly maintained.	The factory confirmed that the corrective actions had been taken on September 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that type ABC fire extinguishers are placed at appropriate areas of the production floor. The PC's also needs to make sure that the first aid kit be fully stocked, and records be properly maintained.	The factory agreed to place type ABC fire extinguishers at the production floor, and to replenish all first aid supplies. The factory will also maintain a list of first aid supplies.	A copy of first aid supplies list and photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that the factory had installed Type ABC fire extinguishers throughout the production floors of the factory. The first aids kits are adequately stocked, and a list of first aid supplies and its consumption/usage records are attached to the kits.	Pictures for fire extinguishers and a list of first aid supplies.	
PPE	Safety Manufacturing Law, Article 37, manufacturers shall provide personal protective equipment to employees. Manufacturers shall supervise and train employees to properly wear and use the personal protective equipment.	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.	Laundry area has many chemical hazards, but the workers do not wear PPE regularly or properly.	Visual inspection	Yes			Factory should provide appropriate protective equipment (such as gloves, eye protection, etc.) to employees who work at laundry area where many chemical hazards existed. Besides, factory should provide appropriate training to employees. Emphasis of the training will be on the ways how to wear PPE properly, and the importance of wearing PPE.	The factory confirmed that the corrective actions had been taken on September 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that employees who work at Laundry areas are wearing PPE properly.	The factory agreed to provide appropriate PPE to employees who work at Laundry area and conduct trainings to employees on how to use PPE properly. Such training is performed twice a year.	Training records and photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that the appropriate PPE, e.g. mask, glove, boots etc. had already been provided to employees who worked in laundry sections, as relevant training was conducted on September 30, 2004. The employees that PC interviewed also confirmed these findings. The factory management represented that such training would be conducted twice a year.	Training records	
Chemical Management	Factory Safety and Health rules, Article 60, hazardous goods poisonous and hazards goods shall be stored at specific locations separately, and shall be managed with stringency.	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	MSDS is not posted at the work stations of spot sprayers in the laundry dept (and bottles are not labeled). Chemical are stored in a locked room with no hazards signs and no electric lights (rear of Bldg X).	Visual inspection	yes			Factory should post Material Safety Data Sheet (MSDS) at the work stations of spot sprayers in the laundry dept. Spot sprayer bottle should be properly labeled. In addition, chemicals should be stored in a locked room with proper hazards signs posted, and electric lights be installed.	The factory confirmed that the corrective actions had been taken on October 10, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that MSDS be posted at the work stations of spot sprayers in the laundry dept; the spot sprayer bottle be labeled; chemicals be stored in a locked room with proper hazards signs; and electric lights be installed at the rear of building X.	The factory agreed to post MSDS at the work stations of spot sprayers in the laundry dept, to label the spot sprayer bottles, to post the hazards signs where chemicals are stored, and to install electric lights.	Photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that MSDS is posted at Spot Spraying section in the laundry department, and labels (chemical name, type, etc.) are stuck on the spot sprayer bottles. It was noted that all chemicals are stored in a separated room with proper hazards signs, and the electric lights have been installed.	MSDS, Photos of the chemicals storage room	

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Findings				Remediation				Company Verification Follow up		
			Monitor's Findings	Documentation (if finding was corroborated/verified through multiple sources; list all sources)	Was Finding Corroborated? Yes or No	If not corroborated, explain why	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Documentation	Company follow up - January 18, 2005	Documentation
Machinery Maintenance	Factory Safety and Health rules, Article 32, protection devices shall be mounted on dangerous parts, e.g. driving belt, open gear, grinding wheel, electric saw, axial ring that is close to ground, rotary axle, belt pulley and flywheels.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	There are some small machines that were constructed in the factory for spinning purposes and other functions which are not safely wired no grounded.	Visual inspection	yes			Factory should ensure that all small machines for spinning purposes and other functions be properly grounded and operated in a safe manner.	The factory confirmed that the corrective actions had been taken on November 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that all small machines be properly grounded and operated in a safe manner.	The factory agreed to ensure that all small machines are properly grounded.	Photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that all small machines for spinning purposes and other functions have been properly grounded and operated in a safe manner.	Photos
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	The toilets emit foul odors and are generally unsanitary.	Visual inspection	yes			Factory should keep the toilets clean and sanitary.	The factory confirmed that the corrective actions had been taken on October 15, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that toilets are clean and odorless.	The factory agreed to examine the toilets so as to keep it clean and in good conditions. The toilets will be cleaned four times a day, and the factory will assign a person to conduct the daily inspection. The inspection will be documented. This checklist will be posted on the toilet door.	Photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that the toilets were clean, tidy and sanitary. An inspection checklist was found being posted on every toilet.	Photos
Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually	The toilets emit foul odors and are generally unsanitary.	Visual inspection	yes			Factory should ensure toilets clean and sanitary.	The factory confirmed that the corrective actions had been taken on October 15, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that toilets of dormitories are clean, sanitary and odorless.	The factory agreed to examine the dormitory's toilets so as to keep it clean and in good conditions. The toilets will be cleaned four times a day, and the factory will assign a person to conduct the daily inspection. The inspection will be documented. This checklist is posted on the toilet door.	Photographs will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that the toilets at dormitory buildings were clean, tidy and sanitary. An inspection checklist was found being posted on every toilet.	Photos
7. Freedom of Association and Collective Bargaining													
		<i>FLA Comment: 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 (AFTU). 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, 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>											
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											
Payroll Reporting		Accurate and reliable payroll reporting, including pay stubs will be provided	New workers are not issued paystubs and their time is recorded by supervisor (but these records were not available for inspection).	Worker interviews and document inspection	yes			Factory should provide paystubs to all employees, and the new workers should record the daily attendance by themselves. All the attendance records should be available for inspection at any time during the year.	The factory confirmed that the corrective actions had been taken on October 18, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that paystubs are provided to all employees, and attendance records, in particular the new workers, are available for inspection.	The factory agreed to provide paystubs to employees (including the newly joined) in each pay period. Attendance records will be electronically maintained except for the first month of employment where manual time record is used. Records are available for inspection.	Personnel records for newly joined workers, paystubs, and time attendance records will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that all employees including the newly joined were provided with paystubs since October, 2004. All new workers were also required to utilize computerized timecards since October 2004. With the electronic attendance system, records were available for inspection.	Timecards and payroll journals.
Pay statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions	New workers are not issued paystubs and their time is recorded by supervisor (but these records were not available for inspection).	Worker interviews and document inspection	yes			Factory should provide paystubs to all employees, and the new workers should record the daily attendance by themselves. All the attendance records should be available for inspection at any time during the year.	The factory confirmed that the corrective actions had been taken on October 18, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that paystubs are provided to all employees, and attendance records, in particular the new workers, are available for inspection.	The factory agreed to provide paystubs to employees (including the newly joined) in each pay period. Attendance records will be electronically maintained except for the first month of employment where manual time record is used. Records are available for inspection.	Personnel records for newly joined workers, paystubs, and time attendance records will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that all employees including the newly joined were provided with paystubs since October, 2004. All new workers were also required to utilize computerized timecards since October 2004. With the electronic attendance system, records were available for inspection.	Timecards and payroll journals.
Time-recording system		Time worked by all employees, regardless of the accounting system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Accounting system needs improvement – some workers had payment problems due to mistakes. New workers are not issued paystubs and their time is recorded by supervisor (but these records were not available for inspection).	Worker interviews and document inspection	yes			The factory should strengthen the accounting internal controls to ensure that the workers' wages are accurately calculated. The factory should provide paystubs to all employees, and the new workers should record the daily attendance by themselves. All the attendance records should be available for inspection at any time during the year.	The factory confirmed that the corrective actions had been taken on October 18, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that the accounting internal controls be properly in place to generate accurate accounting and payroll information. The PC also needs to ensure that paystubs are provided to all employees, and attendance records, in particular the new workers, are available for inspection.	The factory agreed to enhance the accounting internal controls by way of segregation of duties. The payroll records needs to be separately reviewed by the production line supervisor, the person who is responsible for checking garment production outputs, and the accounting staff who is responsible for payroll. The factory also agreed to provide paystubs to employees (including the newly joined) in each pay period. Attendance records will be electronically maintained except for the first month of employment where manual time record is used. Records are available for inspection.	Payrolls, time attendance records, and piece rate breakdown sheets will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed that there is segregation of duties in the accounting system. The information generated therefrom is more reliable and accurate. The PC also verified that all employees including the newly joined were provided with paystubs since October, 2004. All new workers were also required to utilize computerized timecards since October 2004. With the electronic attendance system, records were available for inspection.	Timecards and payroll journals.
Record Maintenance		All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	New workers are not issued paystubs and their time is recorded by supervisor (but these records were not available for inspection).	Worker interviews and document inspection	yes			Factory should provide paystubs to all employees, and the new workers should record the daily attendance by themselves. All the attendance records should be available for inspection at any time during the year.	The factory confirmed that the corrective actions had been taken on October 18, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that paystubs are provided to all employees, and attendance records, in particular the new workers, are available for inspection.	The factory agreed to provide paystubs to employees (including the newly joined) in each pay period. Attendance records will be electronically maintained except for the first month of employment where manual time record is used. Records are available for inspection.	Personnel records for newly joined workers, paystubs, and time attendance records will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that all employees including the newly joined were provided with paystubs since October, 2004. All new workers were also required to utilize computerized timecards since October 2004. With the electronic attendance system, records were available for inspection.	Timecards and payroll journals.
Legal benefits	Article 72, PRC Labor Code, the sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.	Employers will provide all legally mandated benefits to all eligible workers	Workers compensation purchased for 30% of the workforce. Social Security for only 30% of the workforce. Medical insurance for only 48 workers in the factory.	Document review	yes			The factory should provide all legally mandated benefits to all eligible workers.	The factory confirmed that the corrective actions had been taken on December 31, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that the factory provides legally mandated benefits to the eligible workers.	The factory agreed to ensure that both factory and employees participated in social insurance schemes and pay the social insurance premium as legally required.	Social insurance schemes records will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that the factory management paid the social insurance according to a social insurance notice issued by the local labor department on December 31, 2004. In addition, the factory obtained a waiver certificate from local labor bureau on January 26, 2005. The PC will continue to negotiate with the factory to derive a social insurance plan to further enhance the coverage of the social insurance.	Social insurance waiver, receipt of payment of social insurance premium

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Accurate recording of wage compensation		All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	New workers are not issued paystubs and their time is recorded by supervisor (but these records were not available for inspection).	Worker interviews and document inspection	yes			Factory should provide paystubs to all employees, and the new workers should record the daily attendance by themselves. All the attendance records should be available for inspection at any time during the year.	The factory confirmed that the corrective actions had been taken on October 18, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that paystubs are provided to all employees, and attendance records, in particular the new workers, are available for inspection.	The factory agreed to provide paystubs to employees (including the newly joined) in each pay period. Attendance records will be electronically maintained except for the first month of employment where manual time record is used. Records are available for inspection.	Personnel records for newly joined workers, paystubs, and time attendance records will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that all employees including the newly joined were provided with paystubs since October, 2004. All new workers were also required to utilize computerized timecards since October 2004. With the electronic attendance system, records were available for inspection.	Timecards and payroll journals.
Timely Payment		All compensation shall be paid in a timely manner	Payday is the 18th of each month, however the workers have not received pay for August (already 7 days late). Several new workers were not paid as of yet (already 30 days late).	Worker interviews and document inspection	yes			Factory should pay wages to employees as prescribed on the labor contract.	The factory confirmed that the corrective actions had been taken on September 30, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that all compensation be paid to employees including the newly joined in a timely manner.	The factory agreed to pay employees, including the newly joined, in a timely manner, ie. the 18th of every month.	Payroll records and employees interview forms will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed and verified that effective October, 2004, all employees including the newly joined were paid on a timely basis, ie. the 18th of each month, as prescribed by the labor contract.	Payroll journals
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	According to Article 41 PRC Labor Code, The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and labourers, but the extended working hours per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of labourers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours. According to Regulations about Employee Work Time by the State Government May 1, 1997, Article#3 Employees shall work 40 hours per week, overtime is not to exceed 36 hours per month.	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	OT during various periods exceeds the PRC Labor Code and the FLA code: July - Sept approx. 63 hrs total work hrs per week.	Document review and management interview	yes			Factory should make sure that employees does not work over 60 hours in a week in normal business circumstances.	The factory confirmed that the corrective actions had been taken on December 31, 2004. The PC plans to visit the factory on January 18, 2005 to ensure that employees work lesser than 60 hours a week under ordinary business circumstances.	The factory agreed to control the working hour with a maximum of 60 hours a week. Factory agreed to set up a system to ensure that working overtime is on a voluntary basis.	Copy of payrolls, time attendance records and interview forms will be included in the PC's internal file.	The PC visited the factory on January 18, 2005 and confirmed that the working hour for every week, as from October 2004 to December 2004, was lesser than 60, based on the time attendance records. All the overtime are on a voluntary basis. Workers have to sign a worksheet to show that working overtime is voluntary. This is an on-going issue and PC will perform additional follow-up work to ensure that the working hour will be lesser than 60 hours under normal business circumstances.	Time records
10. Overtime Compensation													
Miscellaneous													
Unauthorized subcontracting													
Possible homework													