

*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	8001509B
IEM	SGS
Date of audit	28-29 May 2003
PC(s)	Nordstrom
Number of workers	450
Product(s)	Knitting garment
Production processes	Knitting, sewing, ironing, inspection, washing and packing
Other brands in factory	

FLA Code/ Compliance issue	Findings				Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
<b>1. Code Awareness</b>		No non compliance issue observed					
<b>2. Child Labor</b>							
Registration of young worker	Registration to local Labor Bureau, Clause 9 of Provisions on Young Worker Protection. <b>FLA Benchmark, Child Labor:</b> Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.	Based on factory provided list, 3 employees were identified as young workers. Although young workers were arranged for the regular body examination and were not arranged to work in the workshop with potential hazard to health. However, the factory did not obtain the registration of these young workers from local Labor bureau.	Finding from personnel files and factory provided young worker list reviewed at HR		Have factory submit registration of all young workers (age 16 - 18) with local labor bureau upon hiring. Asking factory to implement a plan to have or ensure all young workers register with the local Labor Bureau upon hiring. *Please note: the legal working age in China is 16, however there are specific requirements and limitations for workers under the age of 18.	COMPLETE: 7/2/2003	Received copy of young worker registration for those found not registered during audit. Plan is being implemented and will be verified by re-audit by agent.
<b>3. Forced Labor</b>		No non compliance issue observed					
<b>4. Harassment or Abuse</b>		No non compliance issue observed					
<b>5. Nondiscrimination</b>		No non compliance issue observed					
<b>6. Health and Safety</b>		No non compliance issue observed					
<b>7. Freedom of Association and Collective Bargaining</b>		No non compliance issue observed					
<b>8. Wages and Benefits</b>							
Inadequate social security program commitment	100% of total workforce should join the social security program, Clause 70 & 72 of PRC Labor Law. <b>FLA Benchmark, Wages and Benefits:</b> Employers will provide all legally mandated benefits to all eligible workers	100% employees was entitled to medical and injure insurance, and 40% employees to unemployment and retirement insurance	Finding from document review on social security program and from interviews with workers		While the goal of Nordstrom's Social Compliance program is for factories to abide by local law and include 100% of employees in the entire Social Insurance program, at this time it is acceptable to Nordstrom to include only a portion as detailed in the waiver issued by the local government office as this Social Insurance program is relatively new to China. As the factory works to incorporate all employees into this new government plan, the waiver from the local Finance and Econ. Dept. is noted and received. *Factory must develop action plan for inclusion of all employees in the National Social Security program. Plan to be reviewed by Nordstrom agent during next audit.	COMPLETE: 7/2/2003	Acceptable as per Nordstrom. Waiver from local Financial & Economic Dept. in region where factory is located is noted and received. Waiver documentation sent to FLA 8/11/03.
<b>9. Hours of Work</b>							

FLA Code/ Compliance issue	Findings				Remediation		
	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
Exceeding maximum legal monthly work hours	Not exceeding 40 normal work hours per week and 36 overtime hours per month, Clause 41 of PRC Labor Law; Clause 3 of The State Council Provisions on Working Hours. <b>FLA Benchmark Hours of Work:</b> Except in extraordinary business circumstances, employees will (b) the limits on regular and overtime hours allowed by the law of the country of manufacture	Based on the time record, the number of overtime working was about 40-50 hours per month. Although it was in-compliance with the code of FLA, which stated that the overtime working hours should be under 12 hours per week. However, as per the labor law requirement, it should be under 36 hours per month.	Finding from time record and worker interview.		Nordstrom's OT policy is that factories should always work to meet the legal limits of their country. In the event that that is not possible, we ask that factories utilize less than 12 hours of OT/week which is in line with the FLA's standard. At this time, we understand that during peak production periods factories may require more OT hours than this and ask that they apply for and are granted a waiver from the local labor office for the 3-6 month time period that they may require additional OT hours. This waiver is currently acceptable by Nordstrom for factories in China.	COMPLETE: 7/2/2003	Acceptable as per Nordstrom. OT waiver from local Financial & Economic Dept. noted and received. Waiver documentation sent to FLA 8/11/03.
<b>10. Overtime Compensation</b>							
		No non compliance issue observed					