

FLA Audit Profile	
Country	Peru
Factory name	08005852C
IEM	Cotecna
Date of audit	November 18 - 19, 2004
Days in the facility	2
PC(s)	Nordstrom
Number of workers	1,389
Product(s)	Alpaca and Vicuna Fabrics and Apparel
Production processes	Spinning, Weaving, Cutting, Sewing, Finishing, Dispatch

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	
<b>1. Code Awareness</b>										
Worker/management awareness of Code		<b>FLA Principle of Monitoring, Obligation of Companies:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	No COC was posted in the factory.	Visual inspection		Display the Nordstrom Partnership Guidelines poster upon completion of all remediation for internal audits, per policy.	4/15/2005	Nordstrom will provide Partnership Guideline Poster and the factory will post on prominent place on factory floor.	Upon completion of all issues factory approval will be granted and poster will be sent. 11.6.05	
Confidential noncompliance 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 noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Manager did not know about any confidential communication channel to Nordstrom.	Management interview		Factory to provide means for workers to communicate questions/concerns /complaints to management, i.e.: confidential suggestion box. Nordstrom is asking factory to establish formal means for communication and confidential reporting. Nordstrom to evaluate installation of a noncompliance reporting tool for workers to contact Nordstrom directly. Evaluation/installation timeframe TBD.	10/15/2005	Currently factory has a very active union that facilitates communication of concerns between workers and management. Additionally, factory has implemented suggestion box and is publishing findings and subsequent action taken by factory management.	Suggestion box to be verified in reaudit scheduled to take place 11/6/2005. Additionally, once factory has approved posted Nordstrom Poster will provide contact information for contacting Nordstrom directly.	
<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 otherwise.										
<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 15.										
<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 of abuse.										

		Findings				Remediation			
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<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.							
Pregnancy Testing		Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.	We found in medical sheet used during hiring process, questions about pregnancy.	Records review		Information regarding pregnancy status must not be solicited as a condition of employment. Medical Questionnaire must be changed to eliminate questions regarding pregnancy.	2/15/2005	Factory has made changes to this procedure and Medical Questionnaire.	A copy of revised form has been provided showing elimination of questions regarding pregnancy status. Verified during Nordstrom visit 1/25/05.
<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.							
<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							
<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.	During last production peak period, last June and July, workers did 12 hours a day, 7 days a week.	Workers and manager interviews. Records review.		Steps must be taken to reduce overtime requirements and bring hours worked into compliance with PC's Guidelines and FLA benchmark. In addition, factory must guarantee at least 1 day off in 7 to all workers.	4/15/2005	Factory management has held meetings to review personnel requirements needed to minimize overtime. Factory has hired 160 employees to date. A revised policy has been developed and documented regarding rest day requirements. The factory will publish and train to revised policy.	Reaudit to be conducted 11-6-2005 to verify overtime compliance.
<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>									