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 14 in.) paper. To print the charts, please make sure to select “legal” size paper from Print properties.
### FLA Audit Profile

<table>
<thead>
<tr>
<th>Country</th>
<th>CHN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory Name</td>
<td>16921380</td>
</tr>
<tr>
<td>GM</td>
<td>HUA</td>
</tr>
<tr>
<td>Setup on site</td>
<td>38/24/08/25, 2005</td>
</tr>
<tr>
<td>O/C(s)</td>
<td>Nike, Inc. and PUMA</td>
</tr>
<tr>
<td>Number of workers</td>
<td>470</td>
</tr>
</tbody>
</table>

### Production Processes

- Sewing, cutting, assembling, packing, warehousing, quality control

### FLA Code/Compliance Issue

#### FLA Awareness

<table>
<thead>
<tr>
<th>Country</th>
<th>Law/Legal Reference</th>
<th>FLA Awareness</th>
<th>Non-compliance</th>
<th>Date of Non-compliance</th>
<th>Evidence of Non-compliance</th>
<th>Action/Remediation</th>
<th>Date of Remediation</th>
<th>Source/Documentation</th>
<th>Company follow-up (date of follow up)</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Code Awareness

1. **FLA Code Awareness**

    - Compliance with the FLA Code is mandatory for all factories.
    - Non-compliance will result in corrective action.

### Production Processes

- Sewing, cutting, assembling, packing, warehousing, quality control

### Health and Safety

- Employees have access to healthy and safe working environments.
- OSHA regulations are followed.

### 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 of 18.
- Employers must comply with applicable laws regarding working age and the age of 18, including regulations relating to hiring, working conditions, types of work, working hours, proof of age documentation, and overtime.
- Employers are required to carry out regular physical examinations for juvenile workers and ensure that workers are over 18.

### Nondiscrimination

- Every employee will be treated with respect and dignity.
- No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.

### Protection of Juvenile Workers

- Employers must carry out regular physical examinations for juvenile workers and ensure that workers are over 18.

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### Protection of Juvenile Workers

- Employers must carry out regular physical examinations for juvenile workers and ensure that workers are over 18.
### Hours of Work

- Employees will pay employees, on average, one day off in every seven day period.
- The 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 a week.
- 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 allowed by the law of the country of manufacture; or (b) the limits on regular and overtime work prescribed in the labor contract.
- Workers will be paid for holidays and leave as required by the local law.
- Piece-rated workers received a piece rate, and payment based on their regular average piece rate.
- In addition to the regular hours of work (8 hours/day), workers will be required to work (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime work prescribed in the labor contract.
- The cleaning worker's payment is not maintained for the cleaning staff.
- The factory has corrected this issue from Sep 1, 2005. Now all regular time records were included in the factory's payroll and the pay stub has been processed from Sep 2005.
- The cleaning worker's payment record was not included in the company's payroll and the pay that had been processed from Sep 2005.
- The cleaning worker's payment was not included in the company's payroll.
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<table>
<thead>
<tr>
<th>FLA Code/Compliance Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Non-compliance</th>
<th>Date of Non-compliance</th>
<th>Evidence of Non-compliance (uncorroborated)</th>
<th>Action Taken</th>
<th>Remediation</th>
<th>Notable Features Implemented by Factory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime Compensation</td>
<td>Art. 44.1 of PRC Labor Law: The employer shall pay employees no less than 150% of their regular wages if they are required to work overtime.</td>
<td>Facility calculates and pays non-production workers a fixed amount for overtime wages ranging from RMB100 to RMB200. Payroll reviews indicate that overtime earnings (regular and rest days) of at least 20 employees exceeded the fixed amount paid by employer.</td>
<td>Document reviews/Employee interviews</td>
<td>1) Issue instructions to all security personnel to keep complete record of their working hours; 2) Issue instructions to payroll section to ensure that all working hours of every employee including the security guards are paid in accordance with local law requirements; 3) Post copies of the instructions at all working areas including the security post</td>
<td>Payment policies are implemented to include payment of overtime according to labor law requirements.</td>
<td>Payroll/Management interviews</td>
<td>Corrected from August payment, reviewed and interviewed workers on August and Sep payment, in compliance with local law.</td>
<td>The factory has corrected this issue from August payment, reviewed and interviewed workers on August and Sep payment, in compliance with local law.</td>
</tr>
</tbody>
</table>

**Miscellaneous**

- Unauthorized subcontracting
  - 1. Another factory is use to subcontract Nike production. As per review of documents / management interviews, facility does not have subcontractors approved by the brand. Facility has asked the subcontractors to sign a document to follow Nike's requirement. Suggest the factory to have detail report on Nike's requirement.
  - 2. Cafeteria and QC personnel are subcontracted by 3rd party. Facility has asked the subcontractors to sign a document to follow Nike's requirement. Support the factory to have detail report on Nike's requirement.

Review the assignment and the documents signed by subcontractors.