

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	100015452E
IEM	Global Standards
Date(s) in facility	October 23-24, 2006
PC(s)	Phillips-Van Heusen Corp.
Number of workers	700
Product(s)	Footwear
Production processes	Cutting, Sewing, Assembly

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Remediation Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	(Status) Completed, Pending, On-going	Updates Company Follow up	(Cite Date of Document)	Third-Party External Verification (Date)	Company Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Verification Document
1. Code Awareness																				
Workermanagement awareness of Code		FLA Principle of Monitoring, Obligation of Companies: 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.			Only one worker interviewed is familiar with the CoC.	Through management interview and record review, the factory provides trainings on CoC for workers.	Management interview, records review, worker interview		We have re-provided training of PC's code of conduct to our employees and supervisors in Jan. 07 and we will provide it as a fixed project to our new employees to make sure everyone knows this code since Jan. 07.	January 2007 and on-going trainings for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation from the trainings.	Completed							
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.		No policy to ensure that workers can use them without fear of reprisal and no procedures of solving complains.			Records review, management interview		Factory has updated the confidential internal complaint system since April 07 and has trained the workers that only HR compliance manager or senior manager can handle the complaint from workers. They will not release the privacy of the complained workers to ensure everyone can communicate with top management freely.	April 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation	Completed							
2. Forced Labor																				
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or																				
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																				
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.																				
Other				The factory doesn't have a policy for termination/retirement for operational purposes.			Management interview, records review		Factory has implemented a policy for termination and all workers are aware/trained on the policy.	January 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation.	Completed							
				In cases where the disciplinary process results in termination, there is no policy providing workers with an opportunity to reply, challenge or make appeals against the termination.			Records review, management interview		Factory has set up a reacting system in Jan 07 for the workers who suffer from disciplinary action to appeal and express their advice and this system will be operated by HR department independently.	January 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation	Completed							
				The policy on harassment and abuse in the factory only indicates that there should not be any form of harassment and abuse, while no definition for each form of harassment and abuse and no procedures to solve and discipline such cases.			Records review, management interview		We have established an updated policy with detailed definitions and relative solving & discipline procedures and included this in Workers' Manual since March 2007 and we have trained workers and management in March 07.	March 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation	Completed							
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.																				
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.		The policy on non-discrimination doesn't include procedures to solve and discipline such cases.			Records review, management interview		We have established an updated non-discrimination policy with detailed definitions and relative solving and discipline procedures and included this in Workers' Manual since March 2007 and we have trained workers and management in March 07.	March 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation	Completed							
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.																				
Evacuation Procedure		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 compiled with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Found one of the fire exits at leather warehouse is blocked.				Visual inspection		We have asked the supervisor in leather warehouse to keep the fire exits opening during working hours since Jan 07 to prevent from any safety hazard.	January 2007		During the follow up on 04/05/2007, auditor confirmed this issue has been corrected through observation and conversation with the supervisor and workers of the leather warehouses.	Completed							

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				[Status] Updates Cite Date Third-Party Company Verification							
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Completed; Pending; On-going	Company Follow up	Documentation	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation
Safety Equipment	Health & safety regulation #31: All unit must provide first aid kits. Fire safety law regulation #14, point 6: All unit must have functioned emergency light.	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.	1) First aid kits are not well stocked. 2) Found one fire extinguisher is out of order.					Visual inspection		We have arranged special person to inspect the first aid kit on a regular time in Jan 07 to replenish medicines needed or any lacks in time. We have inspected all the fire extinguishers in our factory and those out of order were already been replaced immediately in Jan 07.	January 2007		During the follow up on 04/05/2007, auditor confirmed these issues have been corrected through observation.	Completed						
PPE		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.	Found PPE for a portion of the workers is not appropriate.					Visual inspection		We have provided adequate protective equipment to workers such as providing gloves to workers using cleaning solvent and protective covers has been already installed on sewing machines in Jan 07. At the same time we also gave our workers training on how to use them and their benefits.	January 2007		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation.	Completed						
Chemical Management	Health and safety regulation #6 point 3. All chemical should have clear chinese label on container.	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.	No Chinese label on some of the chemicals inside warehouse.					Visual inspection.		We have labeled all chemicals and hazardous substances in the warehouse with local language in Jan 07.	January 2007		During the follow up on 04/05/2007, auditor confirmed these issues have been corrected through observation.	Completed						
Ventilation/Electrical/facility maintenance	Fire safety law regulation #41 & 45: All electrical junction boxes and wires must be connected safely with proper protection.	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.	1) Most of the electrical cables or wires are without proper casing (to prevent short or fire). 2) Electrical wires improperly spliced or taped. 3) Electrical wire obstructing aisles and passage.					Visual inspection		We have already cleaned and re-adjusted all electrical cables/wires in Jan 07 to make sure they are in safe condition.	January 2007		During the follow up on 04/05/2007, auditor confirmed these issues have been corrected through observation.	Completed						
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.																				
Minimum Wage	Labor law Article 48. Workers' wages should be not lower than minimum wage.	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	One worker in warehouse were paid below minimum wage in this February. This is the only case the auditor found through payment review from January to September. Other workers whose piece-rate were lower than minimum wage, the factory would pay them the minimum wage.					Records review, management interview		We have compensated the wage balance of RMB907 for this worker in Jan 2007. We now set up a double-check system before paying for the wages every month to prevent from the recurring of the similar issues.	January 2007		During the follow up on 04/05/2007, the issue has been improved. This worker had been compensated accordingly in January 2007 and there is no other cases observed. As per factory, it was caused by human error and assigned personnel is asked to double-check the payroll each month. This was verified through relevant documentation.	Completed						
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.						Workers interviewed said they don't know clearly how to calculate wages. Through management interview and record review, the factory provides trainings on this issue for workers. Worker interview, management interview, records review		We have provided re-training to all workers on the wage calculation in Jan 07 and set this as a fixed project for new employees to ensure everyone understands this since Jan 07.	January 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation.	Completed						
Legal benefits	1. Occupational injury regulation: Once the injuries are proved to be occupational injuries, employers should bear the responsibility of compensation. 2. 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	1) Attachment to the workers' contract, workers must use all PPE the factory provides to workers, if workers get occupational injuries due to no use of PPE as required, workers will bear all responsibility, and the factory will not bear any responsibility. 2) The factory buys social, unemployment and medical insurance for [some] employees. No insurance except for occupational injury insurance for temporary workers.					Records review, management interview, worker interview		We have cancelled this term for the PPE from the workers' contract and we have set up the disciplinary system to educate and help the workers to use the provided protective equipments since Jan 07. In fact, we have already provided 65.9% workers with social security insurance of pension, medical, unemployment (maternity insurance is not requested by local administration currently) and all workers including temporary workers are provided injury insurance.	January 2007 on-going		During the follow up on 04/05/2007, PPE clause has been removed from workers' contracts. This has been verified through review of workers' contracts. Injury insurance has been provided to 100% of workforce and 62% have been provided with the other types. This will be an ongoing process.	Completed and on-going						

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Legal Compliance for holiday/leave	Shandong wage payment temporary regulation Article 12. Work stoppage caused by the factory within one pay period, the working units should pay workers according to standard wages written in contracts, which is not below minimum wage.	Workers will be paid for holidays and leave as required by law.	Workers enjoyed paid leave for five to six days in February due to the short of production. But the factory paid 18 RMB per day to workers while not at least minimum wage 22.47 RMB as per law.			Records review, management interview		We set up the new compensation policy for this stoppage days in Jan 2007 to make sure each worker can be compensated at least local minimum wage standard during the period of stoppage hours caused by the factory.	January 2007		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation. Factory provided 6 days of other than legally requirement paid leave in February 2007 and compensated workers according to local minimum wage.	Completed									
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.																					
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.																					
OT Compensation		The factory shall comply with applicable law for premium rates for overtime compensation.		In reference to Factory Regulations #5, "Working time and punching card regulations: OT hours will be calculated as 1 hour and a half". The management explained that if workers work for 15 minutes OT, it will be calculated as 30 minutes; if 45 minutes, will be calculated as 1 hour. But at this factory we found no OT hours recorded (there were two Saturdays in February and March 2006, where workers worked 7.5 hours each day). This means no OT worked, so the auditor cannot confirm whether Regulation #5 was implemented accordingly.		Worker interview, management interview		Factory have stated the overtime compensation for partial OT hrs in the workers contracts since April 07. Management explained that if workers work for 15 minutes overtime, overtime would be calculated as 30 minutes and if workers work for 45 minutes, overtime would be calculated as one hour. Will provide training to the workers.	April 2007 and on-going		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation.	Completed									
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means.			Workers interviewed said that they do not clearly know how to calculate OT wages.	Through management interview and records review, the factory provides trainings on how to calculate OT wages to workers.	Worker interview, management interview, records review		We have provided re-training to all workers on the wage calculation in Jan 07 and set this as a fixed project for new employees to ensure everyone understands this since Jan 07.	January 2007 and on-going training for workers		During the follow up on 04/05/2007, this issue has been corrected. Workers and supervisors interviewed and review of relevant documentation.	Completed								
Miscellaneous																					
Other				Some regulations are out-dated, which are not consistent with current situation in the factory, for example, contract period used to be five years, but now is one year, but the regulation still states "five years."		Records review		Factory is unaware of any five year contracts. They sign one year contracts with all workers. They will investigate further.													