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

**Company:** P. R. China  
**IEM Factory Code:** 02001529  
**Date of Audit:** July 8-9, 2002  
**Number of workers:** 768

### FLA Code/Compliance Issue

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<tr>
<th>FLA/Code</th>
<th>Compliance Issue</th>
<th>Benchmark or age reference</th>
<th>Monitor’s Findings</th>
<th>Documentation</th>
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<th>PC remediation plan</th>
<th>Completion Date</th>
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<tbody>
<tr>
<td>FLA Code</td>
<td>Child Labor</td>
<td>In accordance with the PRC Labor Law article 15, labor contract shall be signed to establish a work-based relationship. Per FLA Benchmark IB, Forced Labor: 2. Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision.</td>
<td>It was noted that [not all] workers signed labor contract with the factory.</td>
<td>Auditor noted this finding through document review and worker interview.</td>
<td>Ensure that all employees have on file signed labor contracts.</td>
<td>9/10/2002</td>
<td>Written Confirmation - The factory provided copies of labor contracts.</td>
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<td>FLA Code</td>
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<td>In accordance with the PRC Labor Law article 65 and Regulations for the Special Protection of Juvenile Employees (Document No. 498) article 6, employer should arrange for regular health examinations to be provided to juvenile workers.</td>
<td>It was noted that the factory did not provide such health examinations to juvenile workers.</td>
<td>Through personal records review.</td>
<td>Factory management needs to ensure that all employees age 16 and 17 are provided with health examinations according to PRC Labor Law article 65 and Regulations for the Special Protection of Juvenile Employees (Document No. 498); article 6, employer should arrange for regular health examinations to be provided to juvenile workers.</td>
<td>Immediately and Continuously - PC requested corrective action on August 26, 2002.</td>
<td>Written Confirmation - The factory provided copies of medical examination reports for all employees.</td>
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**Findings**

1. **Code Awareness**
   - It was noted that not all workers were aware of the FLA Code.

2. **Employment Records**
   - It was noted that not all workers had signed labor contracts with the factory.

3. **Child Labor**
   - It was noted that the factory did not provide health examinations for juvenile workers.

4. **Health Insurance**
   - It was noted that the factory did not provide health insurance for juvenile workers.

5. **Employee Benefits**
   - It was noted that the factory did not provide benefits for juvenile workers.

6. **Harassment or Abuse**
   - It was noted that the factory did not provide training for harassment or abuse.

7. **Regulatory Leave**
   - It was noted that the factory did not establish a documented policy for regulatory leave.

8. **Benefits**
   - It was noted that the factory did not provide benefits for pregnant employees.

9. **Health and Safety**
   - It was noted that fire extinguishers were placed too high above the floor.

10. **Fire Safety**
    - It was noted that the factory did not provide fire extinguishers as required by law.

11. **Health and Safety**
    - It was noted that the factory did not provide fire extinguishers as required by law.

12. **Health and Safety**
    - It was noted that the factory did not provide fire extinguishers as required by law.
### FLA Code/ Compliance issue

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#### Findings

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<th>Best Practice</th>
<th>PC Remediation plan</th>
<th>Remediation status</th>
</tr>
</thead>
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<tr>
<td>1. In accordance with the PRC Fire Service Law article 14(5), enterprises and business units shall be responsible for the installation of appropriate fire service equipment and facilities, post the fire safety signs and arrange regular inspections and maintenance to ensure all the equipment and facilities can function properly and are in good condition. Per FLA Benchmarks VB, Health and Safety: 1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits. 2. All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unlocked stairwells, employee education, evacuation procedures, etc.) will be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures. 3. All safety and medical equipment (such as the fire fighting equipment, first aid kit, etc.) shall be in place, maintained as prescribed and accessible to the employees. 4. All dormitories shall be kept secure and fire extinguishers and emergency lighting shall be installed.</td>
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<tr>
<td>It was noted there was only one emergency exit at the 250-workers' dormitory and no fire extinguisher or emergency lighting was installed.</td>
<td>It was noted there was only one emergency exit at the male workers' dormitory.</td>
<td>As required by law.</td>
<td>9/22/2002</td>
<td>Photographs of corrective action were sent to PC.</td>
<td></td>
</tr>
<tr>
<td>2. It was noted there was no fire extinguisher or emergency lighting in the male-worker dormitories.</td>
<td>Install and properly mount fire extinguishers and emergency lighting in the male workers dormitory as required by law.</td>
<td>9/22/2002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. It was noted that there was only one emergency exit at the 250-workers' canteen.</td>
<td>Open a secondary exit for emergency use in the canteen.</td>
<td>9/22/2002</td>
<td>Written Confirmation - The factory agreed to the construction of a second emergency exit in the canteen. The factory communicated to PC that this would take a couple of months to complete on 3/20/2003. PC requested an update from factory and was informed that the factory had just assured the appropriate permits to begin construction of secondary exit. Secondary exit has been completed as of February 2003. PC requested evidence of completion and status on March 19, 2003. The factory responded on March 25, 2003 with photos of new exit.</td>
<td></td>
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</tr>
<tr>
<td>4. It was noted that burning candles were found at warehouse that is located in the middle of Block 1 and Block 2 production building.</td>
<td>Ensure that there is proper care and supervision taken when using candles in the factory premises.</td>
<td>Immediately and Continuously - PC requested corrective action on August 26, 2002</td>
<td>The factory agreed to ensure that no candles are used in the factory without proper supervision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. It was noted that burning candles were found at warehouse that is located in the middle of Block 1 and Block 2 production building.</td>
<td>Install all protective guards as required by Factory Safety and Sanitary Regulations article 32. Hazardous parts like conveyor belt, gear, abrasive wheel, flywheel, sewing machine, etc., shall be equipped with protective devices.</td>
<td>9/22/2002</td>
<td>Photographs of corrective action were sent to PC on September 22, 2002.</td>
<td></td>
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#### Reminders

- In accordance with the PRC Fire Service Law article 35.1, Facility shall have at least two exits. Per FLA Benchmarks VB, Health and Safety: 1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. |
| Facility shall have at least two exits. |  |

- In accordance with FLA Workplace Code Provision: 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. Per FLA Benchmarks VB, Health and Safety: 1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. 2. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner. |
| Employers will provide a safe and healthy working environment to prevent accidents and injury to health. |  |

- In accordance with Factory Safety and Sanitary Regulations article 32. Hazardous parts like conveyor belt, gear, abrasive wheel, flywheel, sewing machine, etc., shall be equipped with protective devices. Per FLA Benchmarks VB, Health and Safety: 1. Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. 2. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner. |
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In accordance with Factory Safety and Health Regulations article 31, Workplace shall be equipped with fire-extinguishing equipment. Per FLA Benchmarks VB, Health and Safety: 1. Employees will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. 2. All safety and medical equipment (such as firefighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

In accordance with FLA Monitoring Guidance Health and Safety Benchmark: 1. Facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. It was noted that the factory could not provide any approval on the use of the 2 cargo lifts in the factory.

In accordance with FLA Code Provision and Benchmark, Wages and Benefits: 1. Employees 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. 2. Employers will provide all legally mandated benefits to all eligible workers.

In accordance with the PRC Labor Law article 46, a worker who has worked for one or more successive years shall enjoy paid annual leave, for factories inside Guangdong province: Working 1-5 years: 5 days; Working 5-10 years: 7 days; Working 10-20 years: 10 days; Working 20 years or above: 14 days. Per FLA Code Provision and Benchmark, Wages and Benefits: 1. 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. 2. Employers will provide all legally mandated benefits to all eligible workers.

In accordance with the PRC Labor Law article 45, a worker who has worked for one or more successive years shall enjoy paid annual leave. For factories inside Guangdong province: Working 1-5 years: 5 days; Working 5-10 years: 7 days; Working 10-20 years: 10 days; Working 20 years or above: 14 days. Per FLA Code Provision and Benchmark, Wages and Benefits: 1. 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. 2. Employers will provide all legally mandated benefits to all eligible workers. 3. Legally mandated benefits will be provided or paid in full in within legally defined time periods.

Social Security Benefits: 1. In accordance with the PRC Labor Law article 73, employee and its workers must participate in social insurance schemes and pay social insurance premiums in accordance with the law; and according to article 73, workers shall enjoy social insurance benefits under the following circumstances: retirement, illnesses or injury, work-related injury or occupational diseases, unemployment and maternity. Therefore, according to this national law requirement, all five types of social insurance schemes mentioned above should be provided to all employees of a factory. Per FLA Code Provision and Benchmark VB, Wages and Benefits: 1. 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. 2. Employers will provide all legally mandated benefits to all eligible workers. 3. Legally mandated benefits will be provided or paid in full in within legally defined time periods.

On 9/22/2002, The factory provided PC with copies of valid operator certificates which will be kept on file at the premises.

On 9/10/2002, Written Confirmation - The factory provided a sample of payroll register, production tickets and production wages to verify that employees had received proper wage calculation using the production records. It was noted that there was no signage of gender at toilets on 4F of Block 2 production building.

General Manager's Acknowledgment:

Lack of legal benefits: 1. In accordance with the PRC Labor Law article 46, a worker who has worked for one or more successive years shall enjoy paid annual leave. For factories inside Guangdong province: Working 1-5 years: 5 days; Working 5-10 years: 7 days; Working 10-20 years: 10 days; Working 20 years or above: 14 days. Per FLA Code Provision and Benchmark, Wages and Benefits: 1. 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. 2. 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. 2. 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. 3. 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. 3. Legally mandated benefits will be provided or paid in full in within legally defined time periods.

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On 9/10/2002, Written Confirmation - The factory provided copies of insurance policy were provided to PC for review.

On 9/10/2002, Written Confirmation - The factory provided PC with photos and documentation copy of new log sheet to check first aid kits to ensure that they are adequately stocked at all times.

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On 9/10/2002, Written Confirmation - The factory provided PC with photos and documentation copy of new log sheet to check first aid kits to ensure that they are adequately stocked at all times.
9/10/2002 Written Confirmation - PC was provided with copies of time records for August, September 2002. The documents showed that employees during this period had been properly compensated for overtime hours as required by law.

Factory management needs to ensure that all pay, time and overtime records are accurate and reflect true information. All employees must be properly compensated for all overtime hours of work as required by Labor Act; Article 44 of the Chinese labor law and Eddie Bauer’s Workplace Code of Conduct.

The overtime compensation cannot be verified due to the following reasons: 1) In the same month, the time-in and time-out of different workers in the same department and in the different department were found to be the same; 2) The working hours on the timecards were found different from the production records; 3) Through worker interview, it was noted that the timecards did not display all OT working hours; 4) Through worker interview, it was noted that there were two kinds of attendance record in the factory, one was punching timecard and the other was manual record. The factory management denied the existence of manual record; 5) It was noted (in worker interview) that the April payrolls of them were found different from what they told the auditors. The payroll records were found less than what they said.

Factory management needs to ensure that all pay, time and overtime records are accurate and reflect true information. All employees must be properly compensated for all hours worked as required by Regulation on the Minimum Wages of Enterprise (Articles.12-160) of the Chinese labor law and Eddie Bauer’s Workplace Code of Conduct.

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9. Hours of Work

In accordance with the PRC Labor Law Article 41, the overtime worked shall not exceed 3 hours per day and 36 hours per month. Per FLA Benchmarks VIIB, Wages and Benefits: 1. Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.

In accordance with the PRC Labor Law Article 41, the overtime payment shall not be lower than 150%, 200% and 300% of employee normal rate for overtime on normal working days, rest days and official public holidays respectively. And respect to the minimum wage standard RMB2.63 per hour, the overtime payment shall be RMB3.94, RMB5.26 and RMB7.89 per hour respectively. Per FLA Benchmarks VIIB, Overtime Compensation: 1. The factory shall comply with applicable law for premium rates for overtime compensation. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 3. Employees will not use hidden or multiply payroll records in order to hide overtime, to falsify demonstrate hourly wages, or for any other fraudulent reason.

In accordance with the PRC Labor Law Article 41, the overtime payment shall be RMB2.63 per hour. The overtime payment shall be RMB3.94, RMB5.26 and RMB7.89 per hour respectively. Per FLA Benchmarks VIIB, Overtime Compensation: 1. The factory shall comply with applicable law for premium rates for overtime compensation. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 3. Employees will not use hidden or multiply payroll records in order to hide overtime, to falsify demonstrate hourly wages, or for any other fraudulent reason.

10. Overtime Compensation

In accordance with the PRC Labor Law Article 44, the overtime payment shall not be lower than 150%, 200% and 300% of employee normal rate for overtime on normal working days, rest days and official public holidays respectively. Respect to the minimum wage standard RMB2.63 per hour, the overtime payment shall be RMB3.94, RMB5.26 and RMB7.89 per hour respectively. Per FLA Benchmarks VIIB, Overtime Compensation: 1. The factory shall comply with applicable law for premium rates for overtime compensation. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 3. Employees will not use hidden or multiply payroll records in order to hide overtime, to falsify demonstrate hourly wages, or for any other fraudulent reason.

Per FLA VIIB, Wages and Benefits: 1. The factory shall comply with applicable law for premium rates for overtime compensation. 2. All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.