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.
6. Health and Safety

Employer will provide a safe and healthy working environment to prevent accidents and injury to health resulting from or related to work or as a result of the operation of employer facilities.

7. FLA Code Awareness

FLA Benchmark

1. Code Awareness

FLA Follow-up

2. Forced Labor

The factory could not provide Security Guards License for all security guards (15 persons) ****.

3. Child Labor

The factory could not provide valid Elevator Safety Inspection Permit for one elevator ****.

4. Harassment or Abuse

The factory failed to provide copies of disciplinary records for employees who have been disciplined, terminated or retired, on the basis of gender, race, religion, age, disability, sexual orientation, national, political opinion, or social or ethnic origin.

5. Nondiscrimination

The factory failed to provide copies of disciplinary records for employees who have been disciplined, terminated or retired, on the basis of gender, race, religion, age, disability, sexual orientation, national, political opinion, or social or ethnic origin.

6. Freedom in Employment

According to factory rules, interviews with workers and verified with the management, the new workers wages would be deducted RMB14.15 for uniform fee if they resign within one year ****.

7. FLA Monitoring Visit

The Elevator Safety Inspection Permit has already been obtained and pressed.

8. Health and Safety

The Security Guards License for 15 security guards has already been obtained.

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### Overtime

The country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week:

1. **48 hours per week and 12 hours overtime** or
2. The limits on regular and overtime hours allowed by the law of the country of manufacture.

Except in extraordinary business circumstances, employees will:

1. **Not be required to work more than the lesser of**
2. (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.

Whereas China Labor Law only provided retirement insurance, medical insurance and unemployment insurance for about 50% of workers. 

### Wages and Benefits

In order to have accurate payroll records, employers will not use hidden or multiple payroll records in order to hide what the workers are paid, or for any other fraudulent reason.

### Legal benefits

Employers will provide all legally mandated benefits to all eligible workers.

### Hours of Work

Details of extraordinary business circumstances, employees will:

1. **Not be required to work more than the lesser of**
2. (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 (c) be entitled to at least one day off in every seven day period.

### Overtime Limitations

1. **According to the time cards and production records from Oct. 2002 to Aug. 2003, most workers worked 3 to 5 hours (of overtime) a day, and some 10 hours a day.**
2. **According to time records, production records, encouragement & disciplinary practices records, there is a lack of evidence to indicate how many overtime hours workers worked per day/week/month.**
3. **Based on the time cards and interviews with workers, most workers without any day off per week, in peak season, sometimes they have to work consecutively for 7 to 27 days without one day off.**

### Remediation

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<thead>
<tr>
<th>FLA Code/ Compliance Issue</th>
<th>Legal Reference</th>
<th>Monitor's Findings</th>
<th>Documentation &amp; Best Practice</th>
<th>Follow-up Plan</th>
<th>Remediation Details &amp; PC Remediation Plan</th>
<th>PC Follow-up Date</th>
<th>Target Completion Date</th>
<th>FLA Compliance Index</th>
<th>Factory Response</th>
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<td>Freedom of Association and Collective Bargaining</td>
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<td>Employers will recognize and respect the right of employees to freedom of association and collective bargaining</td>
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<td>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</td>
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### OT Compensation

**Clauses 44 of China Labor Law**

OT wage compensation will be paid according to accurate time card.

**OT Compensation**

- Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.
- Due to discrepancies between time records, production records, encouragement & disciplinary practices records, it cannot be determined how many hours workers worked per day/week/month. As the overtime compensation was calculated according to overtime hours listed on time records that did not show complete hours worked. Workers were underpaid for hours worked that were not recorded on time records.

**Recommendation**

- Ensure accurate records for wage calculation.

**OT Compensation**

- According to the time cards and payrolls from Oct. 2002 to July 2003, the factory only paid the overtime premium as per the 150% of normal pay for the overtime work occurred on Saturday which extend over the normal 40 hours work per week. Additionally, due to discrepancies between time records and production records, encouragement & disciplinary practices records (refer to above), its lack of evidence to indicate how many overtime hours workers worked per day/week/month and what is the overtime rate the factory provided on working days and rest days.

**Recommendation**

- Pay overtime compensation in accordance with local law.

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OT wage compensation will be paid according to accurate time card.

- Show accurate time card and pay overtime at rate of 150% of normal pay for overtime work occurred on Saturday.

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