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.
1. Code Awareness

There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

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 15.

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 of course of work or as a result of the operation of employer facilities.

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.

Pending FLA Audit Profile

Vietnam

Eddie Bauer Inc.

931

Clothes

Factory Response (Optional)

Company follow up visit on 7/25/2005

On-going

Factories will issue letter of termination for terminated employees. Implementation to be assessed during next factory visit.

Factories will arrange one staff to check the canteen everyday with check list to make sure the cleanliness. Factories requested the canteen service provider, to get the hygiene certificate as per local regulation.

Factories have developed a plan of action and assigned responsibility to implement a lightning protection system.

Factories have posted MSDS and labeled the chemical container appropriately.

Factories will issue the letter of termination labor contract to all resigned workers and make records up to now. Responsible party: HR Manager/HR Manager.

Factories will arrange one staff to check the canteen everyday with check list to make sure the cleanliness.

Factories need to take concrete steps to address the outstanding issue of lightning protection, pending from the fire inspection in Dec 2004.

Factories will post Acetone MSDS and make label for the chemical container with immediate effect.

Factories will post Acetone MSDS and make label for the chemical container with immediate effect.

Factories need to take concrete steps to address the outstanding issue of lightning protection, pending from the fire inspection in Dec 2004.

Factories have prepared/implemented a visual inspection list to review MSDS and appropriate warning labels. Responsible party: Maintenance Manager/Compliance Officer.

Factories have posted MSDS and labeled the chemical container appropriately.

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Factories have posted MSDS and labeled the chemical container appropriately.
### FLA Benchmark Monitor’s Findings

**Noncompliance or Indicator**

Documentation (If finding was corroborated/verified through multiple sources, list all sources)

If not corroborated, explain why

Best Practice

Remediation Plan

Completion Date

Factory Response (Optional)

**Company follow up visit on 7/25/2005**

<table>
<thead>
<tr>
<th>FLA Code/Compliance Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
</tr>
</thead>
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<td><strong>Country Law/Legal Reference</strong></td>
<td><strong>FLA Benchmark</strong></td>
</tr>
<tr>
<td>1. Freedom of Association and Collective Bargaining</td>
<td><strong>Employees will recognize and respect the right of employees to freedom of association and collective bargaining.</strong></td>
<td></td>
</tr>
<tr>
<td>2. Wages and Benefits</td>
<td><strong>Employees recognize that wages are essential to meeting employment basic needs. Employees will pay employees, at 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.</strong></td>
<td></td>
</tr>
<tr>
<td>3. Working Conditions</td>
<td><strong>Working conditions are designed to ensure that employees’ safety and health are not impaired by the working environment or the work process.</strong></td>
<td></td>
</tr>
<tr>
<td>4. Health, Safety, and Hygiene</td>
<td><strong>Employers are required to provide a clean, safe, and healthy working environment.</strong></td>
<td></td>
</tr>
<tr>
<td>5. Overtime Compensation</td>
<td><strong>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.</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Findings**

<table>
<thead>
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</tr>
<tr>
<td>1. Compliance</td>
<td><strong>According to the Vietnamese law, following a salary scale is not a requirement for Foreign Investment and JV holdings. And we understand that this is a good step forward and we worked out a salary scale. We are planning to send to the authorities for the approval.</strong></td>
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<td></td>
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</tbody>
</table>

**Other: Legal Compliance**

- Article 57 of VNM Labor Code, Article 5 of Decree 114/2002/ND-CP and Circular 13/2003/TT-BLDTBXH: Enterprises shall have to formulate their own wage scales and payrolls, technical criteria and grades of workers, types and professional qualifications of employees, for use as a basis for signing labor contracts and collective labor agreements, determining the wage funds, paying wages and setting other regimes for laborers.

**NC:** Factory has not set up salary scale & table as required by Article 57 of the Labor Code and Decree No. 114/2002/ND-CP and Circular No. 13/2003/TT-BLDTBXH

**Explanation:**

- Records review;
- Management interview

The factory should conduct its human resources management in accordance with local laws.

**Remediation Plan:**

- According to the Vietnamese law, following a salary scale is not a requirement for Foreign Investment and JV holdings. And we understand that this is a good step forward and we worked out a salary scale. We are planning to send to the authorities for the approval. Responsible Party: HR Manager/Assistant HR Manager

**Implementation:**

- Factory will send Eddie Bauer a copy of the salary scale once it has been approved. Implementation will be assessed during next factory visit.

**On-going**

**Overtime Limitations**

- Article 72 of VNM Labor Code: In every week, each employee shall be entitled to a break of at least one day (twenty four consecutive hours).

**NC:** Some staff in Sample room/cutting section worked 2 Sundays in June without compensating day off.

**Explanation:**

- Worker interview & records review

As per Eddie Bauer’s code of conduct and local law, all workers are entitled to a weekly day of rest.

**Remediation Plan:**

- As per Eddie Bauer’s code of conduct and local law, all workers are entitled to a weekly day of rest.

**Implementation:**

- All workers are usually given an alternative day off people being paid 205% for Sunday work. That is the general requirement, and this may change with the buyer’s compliance requirement. Anyway we will make sure to give the day off within the week following a Sunday. But this is not a requirement of the Vietnamese law. Responsible Party: Production Manager, HR Manager

**On-going**

**Miscellaneous**

- Article 6 of VNM Labor Code: In every week, each employee shall 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.

**Implementation:**

- Final agreement to provide a compensatory day off to ensure that workers receive a day of rest in every 7-day period. Implementation will be assessed during next factory visit.