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

<table>
<thead>
<tr>
<th>Country</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory name</td>
<td>05001511C</td>
</tr>
<tr>
<td>IEM</td>
<td>Global Standards</td>
</tr>
<tr>
<td>Date(s) in facility</td>
<td>Dec 6-7, 2004</td>
</tr>
<tr>
<td>PC(s)</td>
<td>Liz Claiborne, Inc.</td>
</tr>
<tr>
<td>Number of workers</td>
<td>550</td>
</tr>
<tr>
<td>Product(s)</td>
<td>Sewing, cutting, finishing, packing</td>
</tr>
</tbody>
</table>

**Findings**

<table>
<thead>
<tr>
<th>FLA Code/Compliance issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Monitor’s Findings</th>
<th>Documentation (if finding was corroborated/verified through multiple sources, list all sources)</th>
<th>Was Finding Corroborated?</th>
<th>Yes or No</th>
<th>If not corroborated, explain why</th>
<th>Best Practice</th>
<th>PC Remediation plan</th>
<th>Target Completion Date</th>
<th>Factory Response (Optional)</th>
</tr>
</thead>
</table>

1. **Code Awareness**

   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.

   **Finding:** A system in place (although it seems to work directly to the PC, there was no telephone number posted).

   **Visual Inspection and Records Review:** Yes

   - The Participating Company should establish a secure communications channel, to enable employees to report to the Company on noncompliance with the workplace standards. Liz’s Code of Conduct has already included the contact information (telephone number, fax number, email address and address) of Liz’s local office. The PC will send the Code to the factory once again, and remind the factory to post it on the prominent areas of the workplace.

2. **Forced Labor**

   - 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 abuse.

5. **Non-discrimination**

   - No person will be subject to any discrimination in employment, including firing, 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.

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**

   - The Prevention Law article 14.6, governmental departments, social org., enterprises and institutions shall make sure that the evacuation signs that meet state regulations.

   - All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, evacuation procedures, etc.) shall be compiled with and workers shall be trained in proper safety, first aid, and evacuation procedures.

   - In the backing machine room one exit door open inwards and there is no emergency exit sign.

   - **Visual Inspection:** Yes

   - The factory confirmed that corrective actions had been taken on December 22, 2004. The PC plans to visit the factory on March 15, 2005 to ensure that the exit door at the backing machine room opens outwards. In addition, an emergency exit sign should be posted at the exit door of the backing machine room.

   - The factory confirmed that corrective actions had been taken on December 22, 2004. The PC plans to visit the factory on March 15, 2005 to ensure that the exit door at the backing machine room opens outwards, and an emergency exit sign is installed.

   - The factory agreed to re-install the exit door so as to ensure that it can open outwards. The factory also agreed to install an emergency exit sign at the backing machine room.

7. **Safety Equipment**

   - **Type A:** Combustible materials: wood, cloth, paper and many plastics. Type B: Fires in flammable liquids, combustible liquids, petroleum gases, tar, oils, oil-based paints, solvents, lacquers, alcohol and flammable gases. Type C: Fires that involve energised electrical equipment where the electrical nonconductivity of the extinguishing media is required.

   - All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be compliant with and workers shall be trained in proper safety, first aid, and evacuation procedures.

   - **Many of the fire extinguishers in the dormitory/warehouse area do not have inspection tags, 2 were found in need of charging.**

   - **Visual Inspection:** Yes

   - The factory should assign a person to inspect all fire extinguishers on a regular basis to ensure that they are well-functioned and fully charged, and inspection tags should be attached to all fire extinguishers.

   - The factory confirmed that corrective actions had been taken on December 22, 2004. The PC plans to visit the factory on March 15, 2005 to ensure that all fire extinguishers are regularly inspected, and the tags are attached to the fire extinguishers to confirm the inspection.

   - The factory agreed to conduct a monthly inspection on every fire extinguisher. An inspection tag will be attached to the extinguisher.
<table>
<thead>
<tr>
<th>FLA Code/Compliance issue</th>
<th>Country Law/Legal Reference</th>
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<th>Target Completion Date</th>
<th>Factory Response (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanitation in Dormitories</td>
<td></td>
<td></td>
<td></td>
<td>Dormitory toilets need disinfectant (poor sanitation in place)</td>
<td>Visual Inspection</td>
<td>yes</td>
<td>The factory should set up a mechanism to regularly clean the toilets at the dormitory to ensure that they are sanitary.</td>
<td>The factory confirmed that corrective actions had been taken on February 2, 2005. The PC plans to visit the factory on March 15, 2005 to ensure that all toilets are regularly cleaned and inspected.</td>
<td>The factory agreed to assign a person to clean all the toilets at least twice a day, and use disinfectant to make sure that the toilets are sanitary and clean. Records will be properly documented.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FLA Comment:

The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations.

The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members’ assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous practice of non-negotiation.

### 2. 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.

### 3. 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

#### Miscellaneous

Unauthorized subcontracting

Possible homework