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.
Photocopies of payrolls, factory regulations and workers interview forms. The PC visited the factory on March 17, 2006, and noted that starting from July 2005, the factory had provided a pay slip to employees during wages payment monthly. Payrolls from July 05 to January 06 were reviewed without exceptions noted.

The factory agreed to sign an employment contract with each worker on August 31, 2005.

Non-compliance: As per the FLA Benchmarks on Harassment and Abuse, Employers will provide training to managers and supervisors in appropriate disciplinary practices. Management will provide for, and allow workers to address their concerns. The factory agreed to set up an effective grievance policy and place a suggestion box at the factory, so that they can express their concerns and complaints.

Training records, acknowledgement form, workers interviews and visual inspection. The factory submitted photos and supporting documents of management interviews. Factory should sign an employment contract with each worker on August 1, 2005.

Non-compliance: No suggestion of confidential non-compliance was observed in the facility.

Confidential Channels: The factory agreed to 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 any violation of workplace standards, with security that they shall not be punished or prejudiced for doing so.

Records review. The factory should develop a written disciplinary practices policy and procedures. The PC received the training records on March 21, 2006 after the follow up audit. It was also confirmed that such policy was properly communicated to all employees during the audit.

Non-compliance: The factory confirmed that the corrective action had been taken on August 15, 2005.

Records review. The factory should develop a written disciplinary practices policy and procedures. The PC received the training records on March 21, 2006 after the follow up audit. It was also confirmed that such policy was properly communicated to all employees during the audit.

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Records review. The factory should develop a written disciplinary practices policy and procedures. The PC received the training records on March 21, 2006 after the follow up audit. It was also confirmed that such policy was properly communicated to all employees during the audit.
In compliance with FLA Benchmarks on Health and Safety:

- All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. In any case where laws and regulations are contradictory, the higher standards will apply. Employees who use hazardous and poisonous chemicals should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.

- The factory should conduct regular inspection and post the MSDS in both English and Chinese. Non-compliance, Indicator, Risk or Not Applicable: Non-compliance, The factory agreed to inspect and maintain the vacuum/exhaust system on a routine basis to ensure them operating efficiently. It was noted from the records provided by the factory on December 11, 2006 that factory had equipped all electrical junction boxes with covers as well as an inspection and maintenance for the electrical equipments had conducted on a routine basis.

- Workers are concerned about the lapping/grinding stations vacuum/exhaust system not operating efficiently due to infrequent maintenance. In compliance with FLA Benchmarks on Health and Safety: All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner. In any case where laws and regulations are contradictory, the higher standards will apply.

- Management interviews, Visual Inspection, Maintenance records
- Photos and photocopies of records of inspection and maintenance for the electrical equipments had been taken on August 12, 2005. The factory confirmed that the corrective actions had been taken on August 5, 2005. Photos and training records
- Educate them to properly wear during working time.

- Non-compliance: Employees who use stain remover toxic agents are missing covers. In compliance with FLA Benchmarks on Health and Safety: All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, gathering place, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.

- The factory agreed to fix covers of the electrical junction boxes. It was noted from the records provided by the factory on December 11, 2006 that factory had equipped all electrical junction boxes with covers as well as an inspection and maintenance for the electrical equipments had conducted on a routine basis.

- Non-compliance, Indicator, Risk or Not Applicable: Non-compliance: In compliance with FLA Benchmarks on Health and Safety: Fire Safety Art. 14.6 of PRC Fire Prevention Law: No fire suppressant equipment shall be blocked or tampered with. Non-compliance: The factory agreed to fix covers of the electrical junction boxes. It was noted from the records provided by the factory on December 11, 2006 that factory had equipped all electrical junction boxes with covers as well as an inspection and maintenance for the electrical equipments had conducted on a routine basis.

- The factory agreed to inspect and maintain the vacuum/exhaust system on a routine basis to ensure them operating efficiently. It was noted from the records provided by the factory on December 11, 2006 that factory had equipped all electrical junction boxes with covers as well as an inspection and maintenance for the electrical equipments had conducted on a routine basis.

- Safety: 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. Non-compliance, Indicator, Risk or Not Applicable: Non-compliance: In compliance with FLA Benchmarks on Health and Safety: Fire Safety Art. 14.6 of PRC Fire Prevention Law: No fire suppressant equipment shall be blocked or tampered with.

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Employers will recognize and respect the right of employees to freedom of association and collective bargaining. Employers recognize that wages are essential to meeting employees’ basic needs. Employers will pay employees, as a base, at least RMB 690 (about US$100) per month and higher than the legal minimum wages.

Non-compliance:

First of all, it was brought to our attention that the factory had not taken corrective actions. Further checking is required.

The factory confirmed that the corrective actions had been taken on August 15, 2005.

No pay stubs provided to the workers. The factory should provide workers with pay stub which list wages on the labor contracts.

The factory agreed to sign new labor contract with each worker and list wages on the labor contracts.

Non-compliance:

The factory did not sign a new labor contract with employees. The PC visited the factory on October 25, 2006, and noted that employees were paid and received the same wage. It was also confirmed by interviewed workers randomly selected that they kept a signed labor contract copy.

Compensation:

The factory agreed to compensate the workers for holiday pay pursuant to the local regulations.

The factory confirmed that the corrective actions had been taken on August 15, 2005.

The factory agreed to provide the pay stub to each worker. The PC visited the factory on March 17, 2006, and noted that gate keepers and cleaning workers were paid RMB 750/month and RMB 690/month respectively which were higher than the legal minimum wage.

The factory agreed to make sure that there is only one set of documents review. Both time cards and payroll records should be maintained in the factory.

Documents review. Both time cards and payroll records should be maintained in the factory.

Non-compliance:

The factory maintained payrolls and time records from August 2005.

The factory confirmed that the corrective actions had been taken on July 1, 2005.

The factory agreed to pay all employees, including gate keepers and cleaning workers, no less than local legal minimum wage (RMB 690 per month) with effect from August 2005.

The factory agreed to make sure that there is only one set of documents review. The factory should adopt one single set of time record to accurately and completely capture the working hours of employees. Employees should also be compensated for working overtimes pursuant to legal regulations.

Documents review. The factory should sign a labor contract with each individual employee, and provide a copy of contract to them.

The factory confirmed that the corrective actions had been taken on July 1, 2005.

The PC visited the factory on March 17, 2006, noted that the factory does not compensate for holiday pay. The factory agreed to include compensations for holiday pay in the labor contract.

The factory confirmed that the corrective actions had been taken on August 15, 2005.

The factory confirmed that the corrective actions had been taken on July 1, 2005.

Employers will provide all legally mandated benefits to all employees and compensate them properly according to employees’ service length in the factory.

The factory confirmed that the corrective actions had been taken on July 1, 2005.

The factory agreed to pay wages to all employees once in a month. The factory confirmed that the corrective actions had been taken on July 1, 2005.

The factory agreed to compensate the workers for holiday pay pursuant to the local regulations. They would make contributions under the social insurance scheme accordingly.

The factory confirmed that the corrective actions had been taken on July 1, 2005.

The factory agreed to provide the pay stub to each worker. The PC visited the factory on March 17, 2006 and noted that the factory had not signed a new labor contract with employees. The PC visited the factory on October 25, 2006, and noted that the factory did not sign a new labor contract with employees. It was also confirmed by interviewed workers randomly selected that they kept a signed labor contract copy.

Compensation:

The factory confirmed that the corrective actions had been taken on August 15, 2005.

The factory confirmed that the corrective actions had been taken on August 15, 2005.

Workers will be paid for holidays and leave as required by law.

The factory confirmed that the corrective actions had been taken on July 1, 2005.

Non-compliance:

The factory confirmed that the corrective actions had been taken on August 15, 2005.

The factory agreed to provide the pay stub to each worker. The PC visited the factory on March 17, 2006 and noted that the factory did not sign a new labor contract with employees. The PC visited the factory on October 25, 2006, and noted that the factory did not sign a new labor contract with employees. It was also confirmed by interviewed workers randomly selected that they kept a signed labor contract copy.

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<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>9. Hours of Work</td>
<td>The factory agreed to sign a subcontracting contract with each individual subcontractor, whereby working hours, minimum wage and OT compensation were specified. The factory confirmed that the corrective actions had been taken on July 1, 2005.</td>
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<tr>
<td></td>
<td>The factory agreed to reduce the working hours per a shift of the gate keepers so that they work within the legal limitation.</td>
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<tr>
<td></td>
<td>The factory should develop a plan to reduce the working hours, Rest Days and Holidays: Employees should not be allowed to work more than 3 overtime hours per day and 36 overtime hours per month.</td>
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</tbody>
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