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.
The factory will follow-up management interview with the local government to acquire the certificates that they applied for. The management interviewed explained that they applied for the registration and working certificates for juvenile workers. The management interview explained that the factory didn’t have a policy for termination/retrenchment for operational purposes. The factory doesn’t have a policy for termination/retrenchment for operational purposes.

4. 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 otherwise...
FLA Code/ Compliance Country Law/Legal
Reference
FLA Benchmark
Non-compliance Risk of Non-compliance
Evidence of Non-compliance (uncorroborated)
If not corroborated, explain why
Sources/Documentation used for corroborating
Notable Features implemented by facility Management or Company
PC Internal audit findings (Optional)
PC Remediation plan Target Completion Date
Facility Response (Optional) Company follow up (Cite date of follow up)
Documentation Completed; Pending; On-going
Company Follow up Documentation External Verification (Date)
Documentation Company Follow up (Cite date of planned or follow up visit, if appropriate)
Documentation Updates (Cite Date of Follow up) Third-Party Verification Company Verification Follow up
Remediation

8. 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.

1. Freedom of Association and Collective Bargaining
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.

2. Wage Benefits Awareness
Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.

   a. pc piece rate workers interviewed do not know how to calculate their wages.
   
   b. There are detailed wage calculation methods in workers' handbook. The factory also provides trainings to new workers on workers' handbook.

   c. Records review, management interview, workers interview
   
   d. The factory will review the workers handbook with the pc piece rate workers to ensure their understanding of how their wages are calculated.

3. Payment of wages
Temporary regulation for wage payment Article 9 Laborers end labor contracts with working units as per law, working units should pay all wages for one time to laborers within 3 working days since the end date of contracts.

   a. Legally mandated bonuses (e.g. 13th month payments and severance payments will be paid in full and in a timely manner.
   
   b. Even workers who apply for resignation one month in advance, as required by the contracts, will not receive their last pay until the fixed pay day.

   c. Records review, management interview, workers interview
   
   d. The factory will ensure that all employees receive pay for all wages when their contract ends.

4. Records
All relevant employees records must be kept by employer, it cannot be destroyed. China Guangdong wage regulation #16, all wages information must be kept at least 2 years.

   a. The factory only keeps the records of terminated/retrenched employees for 1 year.

   b. Records review, management interview
   
   c. The factory will keep all wage information for 2 years on-site.

The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the state official body. - For the 20 China Fashion Factory FLA non-compliance, the management is planning to implement new regulations that could improve the functioning of the labor relations mechanisms.

The Amended Trade Union Act of October 2001 states that urban communities have to be formed, or be in the process of being formed, within 3 months of establishment of the urban community. The urban community is the basic unit of the officially recognized trade unions in China. The urban community is to be a self-governing legal entity independent of government control.

In the Amended Trade Union Act of October 2001, stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be independent of the sole employer. The new law also clarifies that the enterprise labor union committee is the representative of the employees' interests, which can negotiate with the enterprise management.

Wage Benefits Awareness Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.

1/2 piece rate workers interviewed do not know how to calculate their wages.

There are detailed wage calculation methods in workers' handbook. The factory also provides trainings to new workers on workers' handbook.

Records review, management interview, workers interview

The factory will review the workers handbook with the 1/2 piece rate workers to ensure their understanding of how their wages are calculated.

6/15/2007

Legal benefits Article 72, PRC Labor Code, the sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising fund principle shall be established for the collection and management of the social insurance funds. Employers and employees must participate in social insurance and pay social insurance premiums in accordance with the law.

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

The factory only buys social insurance for 1300 out of 4000 employees. The management interviewed explained that the government adopted new social insurance system to collect social insurance fee. If an employee moves to another city, the fee cannot be transferred to other cities, and workers can only withdraw their own part of the fee. So, many workers do not want to buy social insurance.

Records review, management interview, workers interview

The factory will review the new policies to ensure they are in compliance.

6/15/2007

Payment of wages
Temporary regulation for wage payment Article 9 Laborers end labor contracts with working units as per law, working units should pay all wages for one time to laborers within 3 working days since the end date of contracts.

Legally mandated bonuses (e.g. 13th month payments and severance payments will be paid in full and in a timely manner.

Even workers who apply for resignation one month in advance, as required by the contracts, will not receive their last pay until the fixed pay day.

Records review, management interview, workers interview

The factory will ensure that all employees receive pay for all wages when their contract ends.

6/15/2007
| Article 41 | PRC Labor Code | The employing unit may extend working hours as necessitated by its production or business operations, but the extended working hours per day shall not exceed three hours. If such extension is agreed by special agreement between the parties concerned, the total number of extended working hours in any week shall not exceed thirty-six hours. The Saturday and the May 1st holiday are not included in the calculation of extended working hours. | Records review | The factory will review Chinese law which states, “All employees work eight hours per day and generally no more than 44 hours per week.” They will adhere to the Chinese law regarding employee working hours. | 6/15/2007 | Documentation Completed; Pending; On-going | Company Follow up Documentation | Verification (Date) | Documentation | Updates (Cite Date of Follow up) | Third-Party Verification | Company Verification Follow up Remediation | IEM Findings | Other | MANDATORY | NOT APPLICABLE | Information not available or data not applicable |