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.
<table>
<thead>
<tr>
<th>Code of Conduct</th>
<th>Action</th>
<th>Date</th>
<th>Follow up</th>
</tr>
</thead>
</table>
| **1.非歧视** | 未发现未有官方政策，但工厂采取了适当的措施来保护所有工人免受歧视并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生歧视行为。 |}
| **2.健康和安全** | 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}
| **3.工资和福利** | 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}
| **4.骚扰或虐待** | 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}

**证据：**

- 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}

**结论：**

H&M 与工厂密切合作，以确保工厂能够遵守 H&M 的道德行为规范。未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}

**行动计划：**

- 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}

**报告：**

- 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}

**备注：**

- 未发现未有官方政策，但工厂采取了适当的措施来保障所有工人免受伤害并为所有工人提供了相同的待遇。 | 12/31/2007 | 审核员与社会监督机构保持联系，以确保未发生任何事故。 |}

**联系信息：**

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**其他信息：**

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**附件：**

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All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals at the workplace.

- In the factory, plastic gloves were provided for hand cleaning workers, but not for metal cutting workers. It was noted that factory didn’t have trained first aiders.
- Some extinguishers & hydrants in cutting & sewing workshops were blocked during the audit.
- Though checking the documents and interview with management. It was noted that factory didn’t have trained first aiders.
- A limited number of staff was present during accident if more who are trained at first aid.

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Freedom of Association and Collective Bargaining

The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole recognized union. Therefore, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms.

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 independent organizations. In addition, the law mandates that the relationship between trade unions and workers' representatives be transparent.

Article 7 of China Labor Law: Laborers shall have the right to participate in and organize trade unions in accordance with law. Trade unions shall represent and safeguard the legitimate rights and interests of workers, and stage activities in their interests. Article 8 of China Labor Law: Laborers shall take part in the management of enterprises, and workers' organizations, with government recognition and independent; no interference from the government or management is allowed.

It was confirmed according to worker and management interviews. The workers should be free to form associations of their own choosing, and to bargain collectively. We don't expect any discriminatory actions from the factory against any workers who choose to form associations. We require the factory to provide true documentation on production records on-site. The factory only provided the time cards form Dec.2005 to Nov.2006. Cross checking the time cards showed there was no evidence that the factory facilitated parallel means of independent representation for the workers and maintained regular communications in terms of labor issues.

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 to all relevant employees that are required by local government to join social security system. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers.

Minimum Wage China Labor Law, Article 48: Wages paid to laborers by the employing unit shall not be lower than the local standards on minimum wages.

In the context of this audit, we have received detailed assurance that the factory fails to record all working hours of employees. As paid minimum wage cannot be verified we have ceased all further order placement until the factory can reach at least local minimum wage. When working overtime the workers should be compensated according to the law. The workers may have one day off per week, and reduce the number of overtime hours in the weekdays.

Employers will comply with all national and local laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers. We require the factory to provide true documentation on production records on-site. The factory only provided the time cards form Dec.2005 to Nov.2006. Cross checking the time cards showed there was no evidence that the factory facilitated parallel means of independent representation for the workers and maintained regular communications in terms of labor issues.

No written factory policy on labor voice or independent workers' representation was established, there was no labor voice or independent worker representation in the factory.

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Legal benefits

China Labor Law: The maximum amount of social insurance benefits shall be determined according to the categories of insurance, and an overall policy of insurance funds from the society shall be introduced step by step. The maximum amount of medical insurance benefits is limited to 60% of local average wages, at maximum level. China Labor Law: All employees at the factory are entitled to three days' paid leave per year as normal days, and days listed public holidays.

However, through interviews with workers of all three factories, all of them stated that they were paid for their sick leave, annual leave, and maternity leave. Through checking the time cards, review the time cards. All workers should be covered by relevant social insurance depending on local regulation.

There will be no written factory policy on labor voice or independent workers' representation was established, there was no labor voice or independent worker representation in the factory.
**Legal Compliance for China Labor Law, Article 51**

Paid annual leave, maternity leave, sick leave and casual working hours shall be given to all workers according to law. We will follow-up on this point at next audit.

**Timely Payment**

China Labor Law, Article 50

Workers will be paid for holidays and leave as required by law. We require the factory to provide accurate documentation on salaries and working hours. The aim is to through dialogue with the factory establish a system to reduce the overtime in a sustainable manner. The long term aim is to through improved production planning and efficiency to reduce the overtime, thus reducing the number of overtime hours in the workforce. 2006 will carry out announced and unannounced audits in order to monitor the development according to the factory remediation plan.

**Overtime Compensation**

China Labor Law, Article 41

The employing unit may extend working hours due to the requirements of production or business after reporting to the local labor bureau. However, the extended working hours for a day shall generally not exceed two hours. The extended working hours that are not recorded shall not exceed one hour a day under the condition that the health of workers is protected. Every overtime hour shall be paid at 1½ times the normal wage. Overtime shall be limited to the law. When working overtime the workers should be compensated according to the legal overtime rates. We will continue to monitor the overtime working hours through regular audits.

**Miscellaneous**

In addition to the requirements for regular hours of work, employees shall also be expected to follow any procedure that may be required by the factory. All complaints shall be handled in a timely and professional manner.

**Table:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Legal Compliance</th>
<th>Article</th>
<th>Problem Description</th>
<th>Fact Site Evidence</th>
<th>Proposed Solution</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Legal Compliance</td>
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<td>None</td>
<td>On-going</td>
</tr>
</tbody>
</table>

**Notes:**

1. Through checking the payrolls and interview with workers, we found that workers were paid as 100%, 150%, 200% and 300% for normal working hours, and overtime hours at normal days, rest days and public holidays. So, no positive evidence indicated that overtime wages paid to workers by the factory could meet local requirement.
2. Through checking the time cards of December 2006 at gate, workers worked from 1st to 18th without one day off.
3. Through checking the payroll provided by factory, workers were paid from 1st to 18th of December 2006 before opening meeting.
4. Through checking payroll provided by factory, it was found that workers' overtime from 1st to 18th was 72 hours which had exceeded 36 hours/month which stipulated by the China Labor Law. Through checking the time cards of December 2006 at gate, it was found that average working hours of the 20 selected workers were 69.6 hours in total and 8.05 hours per day. The overtime hours was 1.4 times the normal hours. Through checking the time cards of December 2006 in gate, workers worked from 1st to 18th and did not have one day off.
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