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.
## Country

**China**

### Factory Profile

- **Factor y Code**: 02031528A
- **Product**: t-shirts, sportwear, pants
- **Date of audit**: 9/29/01
- **Duration of IEM Evaluation**: 5 days
- **PC(s)/Compliance Staff**: Eddie Bauer & Levi Strauss & Co.

### FLA Code Posting

- **Per FLA Benchmark 1A, FLA Code Posting**: Factory does not have FLA poster in Chinese version. Chinese version to be sent immediately.
- **Per FLA Benchmark 1B, Child Labor**: Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 16, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and education.

### FLA Findings

<table>
<thead>
<tr>
<th>FLA Code</th>
<th>PC Correlation Action Plan</th>
<th>PC Remediation Status</th>
<th>PC Response to FLA Follow-up (CAP 8/6/02)</th>
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### FLA Recommendations

1. **Responsible Party**: FLA Review
   - **Recommendation**: It is noted that no FLA Code was posted in the factory. Brand posters should suffice until there is agreement on the poster.

2. **Responsible Party**: FLA Review
   - **Recommendation**: Follow up: [Factory] need to check the posters and make sure it covers workshop as well as dorm.

3. **Responsible Party**: FLA Review
   - **Recommendation**: It is noted that the duration of probationary period is one to three months for those contracts which length is one or three years.

   - **Factory** has changed the probation period to one month from September 17, 2001.

   - **Follow up**: [Factory] need to take care of the requirement IF juvenile workers hired.

   - **Supplementary information**: Factory should consider to put the requirement of Document No. 498 article 6 in its Employee Handbook.

4. **Responsible Party**: FLA Review
   - **Recommendation**: We have noted that only the health check was provided to juvenile workers before working.

   - **Action**: Clarification with ITS that the factory does not hire workers under 18. We view this as non-discriminatory and appropriate given work restrictions for minors and general concern of underage workers in the factory.

   - **ITS**: a worker was found to be under 18 when hired, (but already reach 18 during visit). The statement is just a reminder.

   - **Follow up**: [Factory] has to take care of the requirement IF juvenile workers hired.

   - **Supplementary information**: Factory should consider to put the requirement of Document No. 498 article 6 in its Employee Handbook.

5. **Responsible Party**: FLA Review
   - **Recommendation**: In accordance with PRC Regulations for the Special Protection of Juvenile workers (Document No.498) article 6, employers should provide, according to the following requirements, regular body check: a) Before the juvenile worker has worked at the enterprise; b) After the juvenile worker has worked for one full year; c) When the juvenile worker has reached 18 years of age and has not had a health examination in the previous six months. Per FLA Benchmark 1B, Child Labor, 5. Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 16, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and education.

   - **PC Response to FLA Follow-up (CAP 2/3/03)**

   - **PC Corrective Action Plan**

   - **PC Remediation Status**

### FLA Follow-up Comments

- **FLA Follow-up Comments**: Continued Comments

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- **FLA Follow-up Comments**: Continued Comments

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### FLA Compliance

- **FLA Compliance**: FLA Review

- **FLA Compliance**: Continued Comments

- **FLA Compliance**: Revised the probation period in the contract and announce to employees. Based on the new employee handbook, probation period for the new employees will be one month normally; but it is subject to be changed to 2-6 days according to their performance. Factory staffs to make more efforts to reconfirm that the probation period was one month those contracts which length is one or three years.

### FLA Continued Comments

- **FLA Continued Comments**: Continued Comments

- **FLA Continued Comments**: Continued Comments

- **FLA Continued Comments**: Continuation

- **FLA Continued Comments**: Continued Comments

### FLA Revised Period

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<th>US Findings</th>
<th>PC Corrective Action Plan</th>
<th>PC Remediation Plan</th>
<th>Remediation Date</th>
<th>Follow-up Comments</th>
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### Maternity Leave

- **OIT findings**: December, 2001 workers were paid as low as RMB 2.05 per hour.
- **PC Corrective Action Plan**: The minimum wages were paid as low as RMB 2.05 per hour.
- **PC Remediation Plan**: Factory has increased the minimum wages to RMB430 from October 1, 2001. They planned to compensate workers whose wages lower than RMB430 for the difference from July to September. It will be completed before January 13, 2002.
- **Follow-up Comments**: Factory agreed that the minimum wage is in accordance with the PRC Labor Law article 62. In accordance with the PRC Labor Law article 62, maternity leave for female workers shall be least 90 days.

#### Maternity Leave

- **Per FLA Benchmark IVB, Nondiscrimination**: B.2. There shall be no differences in compensation and benefits attributable to gender.
- **Per FLA Benchmark VB, Health and Safety**: 1. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.

#### Maternity Leave

- **Per FLA Benchmark IVB, Nondiscrimination**: Employers will pay workers the local minimum wage, whichever is higher, and provide legally mandated benefits.
- **Per FLA Benchmark VB, Health and Safety**: 1. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.

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We have noted that the maternity leave was available for those female employees who worked for one full year in this factory. We noted that some sewing workers were paid as low as RMB 2.05 per hour. Factory has increased the minimum wages to RMB430 from October 1, 2001. They planned to compensate workers whose wages lower than RMB430 for the difference from July to September. It will be completed before January 13, 2002.

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Social Insurance

Benefits

In accordance with the PRC Labor Law article 72 and 73 and its workers must participate in social insurance schemes included retirement, illness or injury, work-related injury or occupational disease, unemployment and maternity.

1. 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. Wages will be equal for units of the same industry, or comparable with similar skills and responsibilities.

2. Employees will be informed about the wage procedures. Employers must make sure that employees are paid on time and in full. Employers will provide employees with pay slips showing the amount of their wages, the payment dates, and the names and signatures of the persons who receive wages. Employers must keep these records for at least two years.

High Risk

1. Per FLA Benchmark VIIB, Wages and Benefits: 1. Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.

2. As of Jan. 1, 2002, factory no longer deducts worker's wage with meal purchases. Workers are free to purchase or not to purchase the canteen food which is now subsidized by the factory and is appropriate amount and can voice grievance if amount seem to be too high.

3. As of Feb. 14, 2003, 867 out of 958 employees were provided with all 5 types of social insurance. The remaining employees were approved by local labor bureau to enroll only after their probation period has been completed.

4. As of 1/1/2000, Factory has got the approval from the local Medicare Innovation Group that factory shall participate in illness (medical) insurance before second quarter next year.

5. As of July 3, 2002, according to payrolls of Apr.&May 2002, there were employee allowance and workers are allowed to choose freely. Factory advised monitor of this during the closing meeting.

Wage Procedures

In accordance with Provisional Regulations for the Payment of Wages article 6, employing units shall record in writing the amount of wages paid to workers, date of the payment, names and signatures of the persons who receive wages, and the units shall keep them for two years or more for examination. Employing units shall provide workers with a copy of his/her payroll when they pay wages.

1. 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. Employers will provide employees with a pay slip showing the amount of wages paid, incentive systems, benefits and bonuses to which all workers are entitled. Pay slips must be distributed to all workers a pay statement each pay period, which are recorded wages, incentive systems, benefits and bonuses to which all workers are entitled. Pay slips must be distributed to all workers a pay statement each pay period, which are recorded wages, incentive systems, benefits and bonuses to which all workers are entitled.

2. A copy of the relevant regulations was faxed to Companies for reference on Dec 11, 2001. As informed, the current practice of the factory is to request workers to sign on the pay slip.

3. As of Feb. 14, 2003, 867 out of 958 employees were provided with all 5 types of social insurance. The remaining employees were approved by local labor bureau to enroll only after their probation period has been completed.

Wage Deductions

Per FLA Benchmark VIIB, Wages and Benefits: 1. Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.

2. Factory has obtained written approval from local social insurance bureau dated on 12/19/2001 that all employees are enrolled into the program for Pension, Illness, Injury, Work-related injury or occupational disease, Unemployment insurance before second quarter first year.

3. The workers were provided with pay slip.

4. We have noted that no signatures were required by this factory. There should be clear confirmation that workers receive the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the law.

5. As of 1/1/2000, Factory has obtained written approval from local Social Insurance on other criterion, like retirement; work related accidental insurance; maternity insurance & unemployment insurance.

6. As of Feb. 14, 2003, 867 out of 958 employees were provided with all 5 types of social insurance. The remaining employees were approved by local labor bureau to enroll only after their probation period has been completed.

7. As of Jan. 1, 2002, factory no longer deducts worker's wage with meal purchases. Workers are free to purchase or not to purchase the canteen food which is now subsidized by the factory and is appropriate amount and can voice grievance if amount seem to be too high.

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9. As of July 3, 2002, according to payrolls of Apr.&May 2002, there were employee allowance and workers are allowed to choose freely. Factory advised monitor of this during the closing meeting.
9. Hours of Work

Remark: The overtime hour on monthly records was different from the daily computer scanning; through the employees' interview, there is another manual record registered by the employees but the factory could not provide the manual record. The FLA auditor will verify at time of audit, thus, the actual overtime hour could not be verified.

Action 1: Review with ITS on their finding on the possible second record. Action 2: [Factory] need to improve the accuracy of their time record to make sure the meal breaks during OT are clearly marked. They need to ensure the reliability and accuracy of their overtime record. The record should be reviewed and corrected at the time of audit.

Follow up: There is no evidence to show the purpose of the record nor the facility try to have a second record to hire the OT hours & OT compensation. [Factory] need to make sure completeness of their swipe card record and pay accordingly.

[Supplementary information: Believe that this is the follow up finding by PCs. Please check if the word should be "hide" instead of "hire".]

Record Keeping

Per FLA Benchmark VIIB, Overtime Compensation: Time worked by all employees, regardless of compensation, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.

Remark: Since the overtime hour on monthly records was different from the daily computer scanning, the manual record was only utilized for verification. The actual overtime payment could not be calculated. Refer to Working Hours.

Factory needs to record employees' working hours clearly. Factory management explained that the manual record was only utilized for recording working days. The record was only by group, not by individual. However, interview report said that the FLA auditor has manual record for each one of them, not by group. Every day after 4 hours, the manual record will be posted in the workshop to justify the working time. FLA Compliance staff will continuously monitor this issue closely.

10. Overtime Compensation

Internal audit completed on Feb.14, 2003: no such issue was identified through the employee interviews. Factory needs to ensure that all employees work overtime. FLA auditor checked the payrolls, time cards and production records and interviewed 20 employees. Did not find any inconsistencies.

We randomly selected [] employees from production line. Their total OT hours in Dec. 2001 reached 72 hours. Compliance Officer: The factory got a approval form local bureau, but it isn’t appropriate. Factory had revised the OT compensation system with completion date on 6/1/2002. (please refer to the OT approval)

Have confirmed through the staff conducted by FLA Compliance staff. Check payrolls, time cards and production records and interviewed 20 employees. The factory got a approval form local bureau, but it isn’t appropriate. Factory had revised the OT compensation system with completion date on 6/1/2002. (please refer to the OT approval)