

*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 IEM Profile	
Country	Hongkong, China
Factory name	08023083B
IEM	SGS
Date of audit	August 8-9, 2003
Days in the facility	2 days
PC(s)	Liz Claiborne, Inc., Nordstrom
Number of workers	132 workers
Product(s)	Female Garment
Production processes	Sewing
Other brands in factory	

FLA Code/ Compliance issue	Findings					Remediation					PC follow up	
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation		Best Practice
<b>1. Code Awareness</b>												
Worker/management awareness of Code	N/A	<b>FLA Principles of Monitoring, Obligations of Companies:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Workers didn't know the code clearly, and no formal training was conducted concerning the code in the factory. (Interview with workers & interview with management)	Interview with workers & interview with management		Factory to advise if factory needs a Partnership Guidelines poster. Upon receipt, post in a prominent location for all employees. Review Guidelines with all employees to ensure their understanding of their work environment standards.	9/8/03	Nordstrom Partnership Guidelines poster has been posted 9/24/2003	verified through re-audit	Interview forms / photos.		PC (Liz) follow up audit on 1/16/04 confirmed Liz Code posted but needed to be revised to show contact information. Worker interviews found that workers did not understand the Code. The factory did not keep records confirming workers' meetings. Further follow up is needed.
<b>2. Forced Labor</b>												
Recruitment Contracts	The employment contract can be in oral or written.	There can be no employment terms (including contracts, recruitment arrangements, or any other instruments) which specify that employees can be confined or be subjected to restrictions on freedom of movement; allow employers to hold wages already earned; provide for penalties resulting in paying back wages already earned; or, in any way punish workers for terminating employment. (It is acceptable to provide bonuses to workers who stay for a term of contract and meet reasonable conditions, such as regular attendance, punctuality, good quality, etc	-There was no written employment contract in the factory.  -The factory promise to pay HKD180 per day as a bottom line for new piece rate workers in the first month. If any piece worker's wage of first month less than HKD180 per day through piece rate calculation, the factory would pay the balance in the following 1-3 months to the worker. But if the worker resign during the following 1-3 months, she would not get the the balance accordingly.	Payroll record		>Factory to provide form of written documentation of worker employment, wage and job description. >Since there is no legal minimum wage in Hong Kong, the factory policy of promising to pay a set rate for piece rate workers is a good practice. However, Nordstrom requests that this policy be revised to include all new workers regardless of length of employment.	9/15/03	>Factory has provided the employment contracts for workers. >Included in contract is the policy that new piece rate employees will be paid a minimum 180HKD during the probationary period	verified through reaudit			PC internal audit confirmed on 1/16/04 that factory signed employment contracts with workers and contract was revised as it paid a set amount for the first month of employment and for actual piece rate from the second month onward. However, contracts were not signed with newly hired workers; some working over three months. Additional follow is required.
<b>3. Child Labor</b>												
<b>4. Harassment or Abuse</b>												
<b>5. Nondiscrimination</b>												
<b>6. Health and Safety</b>												
Document Maintenance/ Accessibility	Employer should establish and maintain a safety system.	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	Local law & regulations and factory policy/procedures were not posted in the workplace.	(Visual inspection)		Factory to post all pertinent local laws and regulations regarding the workplace in a prominent location for all workers to review. Post any/all applicable policies/procedures for all workers review.		Nordstrom Partnership Guidelines Poster has been posted to represent factory policies: 9/24/2003	Reaudit	Photographs confirming corrective actions are in the PC's internal file.		On 1/16/04, PC confirmed that the factory posted procedures/policies and local laws and regulations at the factory entrance.
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	All the 3 emergency light installed in the factory gate without function.	(Visual inspection)		Factory to repair and/or maintain all emergency lighting on a scheduled basis. Develop a maintenance plan to ensure proper function at all times.		They are in normal function now and checked daily: 9/24/2003	Reaudit	Photographs confirming corrective actions are in the PC's internal file.		One of three emergency lights did not function during the time of the audit on 1/16/04.
PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Some workers brought masks themselves, the factory should provide masks to workers for those sewing process with much dust.	(Interview with workers & visual inspection)		Factory to provide all employees with any necessary or requested PPE.		Factory now provides masks to workers: 9/24/2003	Reaudit	Interview forms are in internal files.		During the follow up audit on 1/16/04, it was noted that some of the sewers were not wearing masks. Some workers selected for interviews stated that they were not provided. Additional follow up is required.
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	Female's toilets were not clean enough, and sometimes no water to flush.	(Interview with workers & visual inspection)		Factory to clean and maintain toilets at all times. Provide sufficient water and/or supplies. Develop a maintenance/cleaning schedule.		Toilets are now cleaned and water provided daily: 9/24/2003	Reaudit	Photographs.		During the follow up audit on 1/16/04, it was noted that female toilets needed to be cleaner and some were in need of repair.
Sanitation in Dining Area		All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	No hygiene dining facilities provided for workers, some workers bring lunch themselves and eat in their workplace.	(Interview with workers & management, visual inspection)		Factory to provide employees with a location to take breaks and eat meals away from the production floor. Ensure that location for breaks/meals is protected from the elements.		Factory provided tables now and one dining area will be provided in the future: 9/24/2003	Reaudit			During the follow up audit on 1/16/04, it was noted that a dining area still needed to be provided. Some workers were still eating at their work stations. Additional follow up is required.
Other			No trained medical person in the facility.	(Interview with workers & management)		Factory to provide first aid training for 2 supervisors & 2 employees per production area per floor.		X and Y will join the course : 9/24/2003	Reaudit	A copy of the certificates confirming workers passed the first aid course will be kept in the internal file. These individuals were added to those that had previously been trained.		PC confirmed that two workers had enrolled in a first aid course but yet to receive a certificate.
<b>7. Freedom of Association and Collective Bargaining</b>												

FLA Code/ Compliance issue	Findings					Remediation						
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	PC follow up
Right to Freely Associate	Workers have the right to establish and join trade union- Hong Kong Employment Ordinance	Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment	The was no policy regarding freedom of association, and no trade union or other parallel mechanism in the factory.	(Workers interview & Management interview)		The factory does not have a written policy regarding Freedom of Association. However, the factory does allow for worker committees or unions to represent workers' interests. Please note: While it is Nordstrom's position to neither promote nor deny the existence of a trade union in a factory, we also expect factories to ensure that all workers have the right to join an organized union if they choose.			Email asking monitor for clarification on policy.	A copy of the grievance procedure and minutes to meetings will be kept in the internal file. Monitor's clarification of findings		Interviews on 1/16/04 confirmed that workers were not aware of the appointment of a worker representative. Meetings were not held regularly. Follow up is required.
<b>8. Wages and Benefits</b>												
<b>9. Hours of Work</b>												
Overtime Limitations	No overtime limitation, but workers should be allocated at least one day off per every seven. -Hong Kong Employment Ordinance	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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Some workers worked 68 hours including overtime work 20 hours per week, and some workers only were allocated two days off per month during in peak season.	Time records from July 2002 to June 2003.  (Interview with workers & management, check time records)		1) Factory to ensure that working hours including OT do not exceed 60 hours/week as per Nordstrom standards 2) Factory to ensure that all workers receive (1) resting day off in every (7) days worked		OT is improved. The working hour is about 48-56 hr per week. There is one day off in seven. (checked Sept 03 time records.) 9/24/2003	Reaudit	Copies of time cards are in internal files.		PC reviewed payroll and working hour records and noted that working hours from Sept. to Nov. ranged from 48 to 60 hours per week and workers had one day off in seven. During the peak season in Dec., some workers were requested to work 60 to 66 hours per week. Workers still had one day off in seven.
<b>10. Overtime Compensation</b>												
<b>Miscellaneous</b>												