

*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 Audit Profile	
Country	Mexico
Factory name	21005021D
IEM	Accordia Global Compliance Group
Date(s) in facility	October 5 and 6, 2005
PC(s)	Commemorative Brands, Inc.
Number of workers	173
Product(s)	Class Rings
Production processes	Lost Wax Jewelry Investment Foundry

			IEM Findings					Remediation		
FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date
<b>1. Code Awareness</b>										
Worker/management awareness of Code		<b>FLA Principle of Monitoring, Obligation 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.	Code was found posted in prominent place in local language where workers and management can view it, however, workers are not aware of code elements.				Worker interviews, management interviews, document review		Every new hire receives training on the code during employee orientation.	Completed
Confidential non-compliance reporting channel		<b>FLA Principle of Monitoring, Obligation of Companies:</b> 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 to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	A suggestion box exists in the factory for local communication to factory management. There is no effective and secure communication channel to report non-compliance directly to the Participating Company				Worker interviews, management interviews, document review (evidence of complaints made or communication submitted by workers)		The suggestion box is in place and operating. The security guard opens it once a week but there have not been any suggestions to date. We usually get more in summer time.	Completed
Confidential non-compliance reporting channel		<b>FLA Principle of Monitoring, Obligation of Companies:</b> 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 to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.		Workers do not have an effective method whereby their concerns are heard by local management and effectively responded to		Worker interviews, documents (communication) not available for review.			Completed	
<b>2. Forced Labor</b>										
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise										
Employment Records	Ley Federal del Trabajo, Title 2, Chapter 1, Article 24 – requires two originals, one for each party	Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Workers have not received original signed copies of their work contract.				Worker interview, Management interview		All current workers have a copy of their contract.	Completed
<b>3. Child Labor</b>										
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.										
<b>4. Harassment or Abuse</b>										
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.										
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	Supervisors have not received training in harassment and abuse of workers related to this code element				Worker interviews, supervisor interviews.		We have trained all line leaders, supervisors, administrative personal and managers on December 7.	Completed

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings			Remediation	
					Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan
Disciplinary Action Punishment of Abusive Supervisors/Manager		Management will discipline (could include combinations of counseling, warnings, demotions, and termination) anyone (including managers or fellow workers) who engages in any physical, sexual, psychological or verbal harassment or abuse		No policy, procedure or practice found that defines and addresses inappropriate behavior by supervisors and managers with respect to this code element.			Management interview, document review	We have trained all line leaders, supervisors, administrative personal and managers on December 7.	Completed
<b>5. Nondiscrimination</b>									
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.									
<b>6. Health and Safety</b>									
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities									
Fire Safety Health and Safety legal compliance	Ley Federal – Título 8, Capítulo II, Artículo 504 provides that factories over 100 workers shall have an infirmary staffed by a competent person under the direction of a doctor	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	Facility does not maintain an infirmary nor employ/contract a competent health care provider to attend to the health of workers				Worker interview, management interview, visual observation	An infirmary has been constructed and a nurse hired on January 11, 2006.	Completed
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	First aid kits found to not be adequately stocked with supplies.				Worker interview, visual observation	First aid kit has been restocked and is being maintained.	Completed
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.	Workers in plating department not provided with appropriate PPE. Evidence of use of ineffective dust mask for sandblast operator resulting in inhalation of dust residue. (Cause may be due to reduced machine capability to filter sand)				Worker interview, visual observation	We talked to our vendors and they agreed that we are using the correct dust mask. We talked to the people working in that area because they don't like to turn on the extracting machine. Workers are now required to wear the PPE provided.	Completed
Chemical Management		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 and other hazardous substances	a) Work stations found with unlabeled containers of liquids used by workers. b) Food (snacks, sugar, bread, coffee), coffeemaker, and eating utensils found in storage cabinet together with chemicals as well as in open proximity to dry chemicals storage in work area in Investment room				Worker interview, visual observation	We labeled all containers giving to workers.	Completed
Other		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	a) Electrical panels in several locations throughout factory found without protective covers for openings that may allow accidental worker contact with live electrical components. b) Sandblasting machine in Plating area found to be ungrounded resulting in shock hazard to worker operating machine.				Worker interview, visual observation	All electrical panels have been covered and the safety committee makes a monthly inspection of the factory and reports any safety issues found and follows up to make sure repairs are made.	Completed
<b>7. Freedom of Association and Collective Bargaining</b>									
Employers will recognize and respect the right of employees to freedom of association and collective bargaining									

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<b>8. Wages and Benefits</b>									
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									
Illegal Holding of Funds		All voluntary deductions (savings clubs, loan payments, etc.) will be credited to proper accounts and funds will not be held illegally or inappropriately by employers.		Worker savings fund. Fondo de Ahorro, is a voluntary savings fund with worker contributions that are matched by company funds and paid at the end of the year. Fund is managed and controlled by the company financial controller and company lawyer. Workers do not have representation in the fund.			Worker interview, Management interview	We established a committee of two workers representatives and two company representatives to have a meeting every month to make an analysis of the monthly activity.	Completed
<b>9. Hours of Work</b>									
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									
<b>10. Overtime Compensation</b>									
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.									
<b>Miscellaneous</b>									