

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	PHILIPPINES
Factory name	310059424E
IEM	BUREAU VERITAS CONSUMER PRODUCTS SERVICES
Date(s) in facility	22-Nov-06
PC(s)	CUTTER & BUCK
Number of workers	52
Product(s)	KNIT SPORTSWEAR FOR MEN, WOMEN & CHILDREN
Production processes	CUTTING, SEWING, QC, PRESSING

Company Statement: Due to the sudden and unanticipated closure of the [factory] in the Philippines, we did not pursue corrective action at this facility. During the time the audit was performed, we issued our last orders to the factory. Shortly thereafter, we received word that the factory was closing their doors for good. They informed us that they would not be pursuing another business venture, but rather were leaving the Garment Manufacturing Industry altogether. They cited reasons of unspecified 'outside factors' unrelated to our working relationship, as contributing to the closure. Based on this information, and our inability to contact management or workers, we never pursued a remediation strategy with the factory. We had an internal audit scheduled with a third party firm to be conducted at the factory in September. We canceled this audit upon word of the closure. With the factory closed and workers dispersed, it was not possible to follow up on issues cited in the Tracking Chart. While the ICM revealed incomplete payroll records for 2006, a failure to properly post local laws within the factory, and an absence of worker contracts, the multitude of the other non-compliances cited were Health & Safety violations and Code Awareness, both of which are not considered critical for workers welfare after the factory's closure. We regret losing the opportunity to pursue the remediation of these issues.

FLA Code/ Compliance Issue	Country/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	ICM Findings				Remediation				Status Completed: Pending: On- going	Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up		
					Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	IC Internal audit findings (Optional)	PC Remediation Plan	Target Completion Date	Factory Response (Optional)		Company follow up (Cite date of follow up)	Documentation	Company Follow up (Documentation)	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation
1. Code Awareness																				
Code posting/information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Code was not posted at the factory.					Factory tour, worker interviews, management interview												
Worker/management awareness of Code		FLA Principle of Monitoring, Obligation of Companies: 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 not communicated to the workers. Management representative have the vendor manual but said they were not instructed by the Company about the COC.					Factory tour, worker interviews, management interview, document review												
Confidential non-compliance reporting channel		FLA Principle of Monitoring, Obligation of Companies: 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 non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	There was no communication channel presented during the audit. According to the workers and the management representatives, the workers can use the factory's own suggestion box or go directly to the management for concerns.					Worker interviews, management interview, document review.												
2. Forced Labor																				
These will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																				
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Two out of 15 personnel files did not contain employment contracts. These workers said they signed contracts with the factory.					Document review, worker interviews.												
3. 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 younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																				
Age Documentation		Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	Two out of 15 personnel files did not contain age documentation. These workers were interviewed and were over 25 years old.					Document review, worker interviews.												
4. Harassment or Abuse																				
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																				
5. Nondiscrimination																				
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.																				
6. Health and Safety																				
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's facilities.																				
Fire Safety Health and Safety legal compliance		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 documents.	File Safety Inspection Certificate was not posted.					Factory tour, document review												
Document Maintenance/ Accessibility		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.	MSDS is not available for gasoline, spot filter and ink cleaner.					Factory tour, document review												
Evacuation Procedure	Department of Labor and Employment (DOLE)-Occupational Safety and Health Standards (OHSAS) Rule 1944.05 (1), fire exit drills shall be conducted at least twice a year to maintain an orderly evacuation of buildings, unless the local fire department requires a higher frequency of fire drills.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	1. Evacuation plans were not posted. 2. Fire evacuation drills were only conducted once a year.					Factory tour, worker interviews, management interview, document review												
Safety Equipment	Department of Labor and Employment, Occupational Safety and Health Standards, Rule 1944.05 f. Extinguishers shall be inspected monthly or at more frequent intervals when circumstances require to ensure that they are in their designated places, to determine physical damages and that they are in good operable condition.	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	1. There was no first aid kits available in the production area. 2. All fire extinguishers were not regularly maintained. Last maintenance date was September 30, 2006					Factory tour												
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.	1. Workers were not wearing appropriate PPE (mesh gloves for cutters, masks for sewers and users of the spot linerink cleaner). 2. Posters about wearing of appropriate PPE were not posted.					Factory tour, worker interviews												
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	Gasoline (fuel for boiler) was not properly labeled and secured.					Factory tour												
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	All sewing machines did not have needle guards.					Factory tour												
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	Kitchen, canteen and toilets in the production areas were not well-maintained.					Factory tour, worker interviews.												
Sanitation in Dining Area	According to Philippine Sanitation Code (Presidential Decree No. 850, Chapter III, Food Establishment, Sec. 14. Sanitary Permit, a.) No person or entity shall operate a food establishment for public patronage without securing a permit from the local health office. The term "food establishment" as used in this chapter means an establishment where food or drinking are manufactured, processed, stored, sold or served. b.) Every Sanitary Permit shall be posted in a conspicuous place of the establishment.	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.	1. Kitchen and canteen were not well-maintained. 2. No sanitary permit was presented during the audit.					Factory tour												
Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.) Emergency evacuation drills should also be conducted at least annually	1. Toilets in the dormitory were not well-maintained. 2. Dormitory fire/emergency exits were blocked.					Factory tour, worker interviews.												

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				Documentation	Status Completed: Pending: On- going	Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up	
			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 Internal audit findings (Approved)	PC Remediation plan	Target Completion Date	Factory Response (Optional)			Company follow up (Cite date of follow up)	External Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation	
Other	Presidential Decree 1586, no person, partnership or corporation shall undertake or operate any such declared Environmentally Critical Project or area without first securing Environmental Compliance Certificate (ECC) issued by the President or his duly authorized representatives. The following categories of projects/undertakings under Environmental Impact Assessment (EIA) system: Category A – ECPs with significant potential to cause negative environmental impacts. Category B – Projects that are not categorized as ECPs, may cause negative environmental impacts because they are located in Environmentally Critical Areas (ECA). Category C – Projects intended to directly enhance environmental quality or address existing environmental problems not falling under category A and B. Category D – Projects unlikely to cause adverse environmental impacts. All other activities not covered by the (EIS) system may have an option to secure Certificate of Non-Coverage (CNC).	No Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage was acquired from Department of Environment and Natural Resources (DENR).				Document review, factory tour, management interview.														
7. Freedom of Association and Collective Bargaining																				
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																				
Compliance to local collective bargaining laws		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.	This cannot be determined because the CBA were not available during the audit. According to the union president and the management representative, this document is with the top management.			Worker interview, management interview, document review.														
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																				
Wage and Benefits Posting		All notices that are legally required to be posted in the factory work areas will be posted. All legally required documents, such as copies of legal code or law, will be kept at the factory and available for inspection	There were no labor laws (wages and benefits) posted.			Factory tour														
Record Maintenance		All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date. (In the United States terms this would include W-4s, I-9s, green cards, 941s and supporting material	1. Records for 2005 were not available for review. 2. Time cards reviewed had the same time out and written in the same hand.			Document review, worker interview, management interview														
9. Hours of Work																				
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																				
10. Overtime Compensation																				
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.																				
Miscellaneous																				