

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	China
Factory Name	08001542D
IEM	ALGI
Date(s) in Facility	September 15 & 16, 2005
PC(s)	Nordstrom, Inc.
Number of Workers	425
Product(s)	Knitted Products (shirts)
Production Processes	Flat Knitting, Finishing, Packing, Sewing, Ironing

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation				[Status]		
			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	Company follow up (Cite date of follow up)		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.	[Some] employees claimed that they were not aware of the Code of Conduct. As per management interview, management could not provide training records or related evidence on CoC.					Factory inspection/Management interview/Employee interview		Factory to ensure that all employees have been educated as to their rights as per the Nordstrom Partnership Guidelines. Factory to create a plan to train existing and new employees. Factory to conduct training before year-end. NOTE: As per Nordstrom policy, each factory receives (1) Code of Conduct poster upon initial approval.	12/31/2005	Agent re-audit 12/2/2005	Corrected. The factory had trained the existing workers on Nordstrom Partnership Guidelines in October - November 2005, and had added the training item of 'Nordstrom Partnership Guidelines' to the new employees' orientation training plan. The factory also had posted the Nordstrom Partnership Guidelines in the workshop for workers information.	Complete & Ongoing
Other			Current information on labor laws and health and safety regulations are not posted in facility as per factory inspection. Management admitted the poster for relevant information is missing.					Factory inspection/ Management interview		Factory to post information related to labor laws, health & safety regulations and wage/hour standards in a prominent location within the factory for all workers to have access.	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory had posted the information related to labor laws, health & safety regulations in the prominent location in the workshops	Complete
2. Forced Labor														
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise														
Freedom of Movement		If factory entrances are locked or guarded to prevent non-employee access to the premises for security reasons, employees will have free egress at all times.	Employee must get a permission to leave the facility during the unpaid lunch break.					Document review/Employee interview/Management interview		Factory to ensure that all workers have the permission and capability to leave the factory at any time if necessary.	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory had posted a notice in the workshops that the workers could leave the facility during the unpaid lunch break without permission. The issue had been confirmed by the workers. During the workers interview, ... randomly selected workers said that they were aware of the new policy and they are allowed to leave the factory at any time if necessary	Complete
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.														
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 of abuse.														

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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 facilities													
Document Maintenance/ Accessibility	Art. 12 of PRC: Safe use of chemical materials in Production area: The chemical materials used in the factory should have labels. Dangerous chemical materials should bear safety labels. Art. 12 of PRC Safe Use of Chemical Materials in Production Area: The chemical materials used in the factory should have labels. Dangerous chemical materials should bear safety labels. MSDS should be offered to workers who use it.	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	No MSDS or PPE instruction for the cleaning agent.				Factory inspection		Factory to provide MSDS and PPE instruction for chemicals in the cleaning agent	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory had provided MSDS and PPE instruction for chemicals for the cleaning agent.	Complete
Safety Equipment	Art. 31 of PRC Factory Safety and Sanitary Regulations: Production areas must have first aid kits. Art. 14.5 of PRC Fire Prevention Law: The company should maintain fire protective equipments and the safety signs. The company must check and maintain the equipments regularly. Art. 43. of Fire prevention and safety rules of Textile mills: There must be no obstruction around the fire extinguishers or fire hydrant. Art. 5.1.1 of Design Regulations for Fire Extinguisher Installation (GBJ 140-90): Fire extinguisher shall be installed in the distinct and easily accessible location, and shall not hinder the safety evacuation.	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	There is no fire extinguisher in the sampling section.				Factory inspection		Factory to provide fire extinguisher in all sections of the factory, including the sampling section	10/15/2005	Agent re-audit 12/2/2005	Corrected. They had equipped the fire extinguishers in the sampling section.	Complete
Chemical Management	Art.19 of Regulations on Safe Use of Chemicals in the Workplace: the facilities used to hold, transport and store hazardous chemicals shall be highlighted with colors, scutcheons or labels, and indicating its fatality. Art.20 of Regulations on Safe Use of Chemicals in the workplace: The information concerning health and safety when utilizing hazardous chemicals shall be open to the employees. And the employees shall be trained to recognize safety labels, understand technical directions and master necessary means to deal with emergency and save themselves. Besides, there shall be regular training on how to use chemicals safely in the workplace. Art. 60 of PRC Factory Safety and Sanitary Regulations: Poisonous and hazardous goods shall be stored at specific locations separately, and shall be managed with stringency.	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	No MSDS or labels for stain remover in the section where the product is actually used.				Factory inspection		Factory to provide MSDS and labels for stain remover in the area in which it is used	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory had provided MSDS for stain remover in the section where the product is actually used.	Complete
Fire Safety Health and Safety Legal Compliance	Art. 29. Factory Safety Regulations: Working area should set hand wash equipment according to needs and provide soap.	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standard will apply. The factory will possess all legally required	No soap is provided for the workers.				Factory inspection		Factory to ensure that soap is provided in the toilets for workers at all times	10/15/2005	Agent re-audit 12/2/2005	Corrected. The soap was provided in the toilets for the workers.	Complete
Electrical equipment		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.	One electrical breaker panel was observed to be very close (one meter) to the lubricants storage area. Additionally, 8 panels were missing covers and labels.				Factory inspection		1) Factory advised to not locate any flammable materials near electrical breaker panels. Factory to re-locate the lubricant storage area so that it is in an area away from breakers. 2) Factory to provide covers and labels for all electrical panels	10/15/2005	Agent re-audit 12/2/2005	1) Corrected. There were no flammable materials near the electrical breaker panels. And the lubricant storage area was re-located to be away from breakers. 2) Corrected. Covers and labels were available for all electrical panels.	Complete

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7. Freedom of Association and Collective Bargaining													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining													
		<p><i>FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (AOFU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms.</i></p> <p><i>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 accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.</i></p>							Factory to ensure that all workers have the freedom to participate in a worker representation committee. Factory to create documented language to include in the factory policies to illustrate this policy.	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory had established the written policy on independent worker representation, and totally 138 out of 383 workers had joined the union.	Complete
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													
Minimum Wage	Art. 48 of PRC Labor Law: The employer shall pay laborers wages no lower than local standards on minimum wages.	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher	As per payroll review, 5% of the piece rate production workers' do not reach the legal minimum wage (not including overtime pay). This is due to a miscalculation of the minimum wage. The company calculates minimum wage, including the production reached during OT hours.					Payroll review	Factory to ensure that all workers received the proper minimum wage and OT premium for all hours worked. Factory to review method for calculating piece rate to ensure it is correctly based on production and wage.	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory has corrected the calculation of workers' payments. Workers' minimum wage and overtime wages of September & October 2005 had been verified and complied with local legal standard.	Complete
Wage Benefits Awareness	Art. 19 of PRC Labor Law: Labor contract shall be in written form and with the following items included: term of contract, job description, labor protection and conditions, remunerations, labor discipline, conditions for termination of contract and liabilities for breach of contract.	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 in that company and under the applicable law	Two warehouse keepers do not have contracts.					Document review/management interview	Factory to ensure that all workers have employment contracts upon hiring. Maintain contracts in employee's files	10/15/2005	Agent re-audit 12/2/2005	Corrected. The factory had signed labor contracts with the two warehouse keepers on September 28, 2005.	Complete
Time-Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	<p>1. Finishing process workers did not punch time cards since September 2nd, 2005 due malfunction of the time clock machine.</p> <p>2. Seven security guards, eight cafeteria workers and two warehouse keepers do not record working hours.</p> <p>3. Two warehouse keepers do not record working hours.</p>					Factory inspection/Management interview	Factory to ensure that all employees, whether from the factory or contract, record all working hours. Please repair broken time clock or develop a system for workers to record their hours; regular and overtime	10/15/2005	Agent re-audit 12/2/2005	Corrected. 1. The time clock had been repaired and all workers' attendance records were available since October 2005. Working hours had been verified and complied with local legal standard. 2. a) All the security guards were subcontracted. Documented hours are kept with subcontractor b) All the cafeteria staff were also subcontracted. Documented hours are kept with subcontractor 3. The two warehouse keepers working hours were recorded since October 2005. Working hours of the warehouse keepers had been verified and complied with local legal requirement	Complete

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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.													
OT Compensation	Art. 44.1 of PRC Labor Law: The employer shall pay workers no less than 150 % of their regular wages if they are required to work overtime. Art. 44. 2 of PRC Labor Law : Payment of wages to laborers should be no less than 200% of the normal wage if the employees are required to work on a day of rest and no deferred rest can be taken. Art. 44.3 of PRC Labor Law: Payment to workers should be no less than 300% of the normal wage if they are required to work during a legal holiday.	The factory shall comply with applicable law for premium rates for overtime compensation	Overtime wages paid to 16 non production workers, including doctor, electrician, warehouse keepers etc., was not properly calculated as they received flat rate, rather than percentage according to overtime working hours.				Employee interview/Management interview/Payroll review		Factory to ensure that wage and OT premium are calculated correctly according to labor law	10/15/2005	Agent re-audit 12/2/2005	Corrected. They have adjusted the wage structures since October 2005 to ensure the minimum wage and overtime wages of all non production workers' were complied with the local legal requirement.	Complete
Miscellaneous													