

*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 Monitoring Visit Profile	
Country	Vietnam
Factory name	10008496B
IEM	
Date of audit	Oct 1 & 2, 2003
Days in the facility	2 days
PC(s)	
Number of workers	2214
Product(s)	Men's shirts
Production processes	Cut, stitch, press, embroidery

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation					
			Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
<b>1. Code Awareness</b>											
Worker/management awareness of Code		FLA Principles of Monitoring, Obligations 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.	Codes are posted, but awareness, communication and training are lacking or low. 13 out of 20 interviewed workers reported that they have not received CoC training, nor training on factory work rules or Labor Code.	Visual Inspection Worker interviews			Provide training to management and workers to assist them in the understanding of PVH's Code of Conduct and Vietnamese Labor Code.	March 31,2004	Training has been provided to management and workers to assist them in the understanding of the Code of Conduct and Vietnamese Labor Code. Training materials and records shall be documented and available upon request.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
Confidential non-compliance reporting channel		FLA Principles of Monitoring, Obligations 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 noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	No formal internal channels exist at the factory. No independent channels exist to the PC. Mgt says workers can go directly to General Director office every Saturday PM, but workers are unaware of this system.	MGT Interview, Worker interviews			Install and maintain suggestion boxes and procedures to ensure workers' issues are handled in an appropriate manner. Notices need to be posted to inform workers of this system.	March 31,2004	Management has set up suggestion boxes and procedures to answer workers' queries to improve internal communication channels. Suggestion boxes include name of person in charge, terms and guidelines for use, time and forms to answer letters. Notices are posted of policy & schedule allowing General Director to meet with workers every Saturday.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
<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		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Inadequate personnel filing system: Within 183 worker files, 16 files have no official CV, 26 files have no employment application form. 97 files have no copy of family or residence registration.	Record review			Improve effectiveness of personnel file records and ensure all employees' necessary information/documents are placed in the respective employees' personnel file at the time of hire.	April 30,2004	Management will reconcile personnel file records. Factory has made a listing of all missing documents and have requested workers to submit the necessary and missing documents accordingly.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
Freedom in Employment		All workers will have the right to enter into and to terminate their employment freely.	Difficult for workers to terminate employment. During worker interviews, 15 workers said it's difficult to get approval for job resignation from Factory Managers who require workers to explain the reason for quitting.	Worker interviews			Provide training to ensure all workers and managers know and understand the appropriate procedures when it comes to termination.	March 31,2004	Factory has included termination procedure as per the Labor Code and code of conduct training to ensure all workers and managers understand appropriate procedures.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
<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 of abuse.											
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	Monetary Penalty for lateness. 9/20 workers report during interviews that Mgt fines them VND5000 for being 5 minutes late to work. As a result many workers choose no longer to swipe cards.				Prohibit the use of monetary fines.	February 28,2004	Management has posted a policy that states monetary fines no longer exist and has made announcements to all workers through loud speaker system. Training for both management and workers has been provided to make them aware that this policy has been discarded. In addition, it has been included with Labor Code and code of conduct training.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	Documents affirming this policy have been provided to all employees and staff members. There are pictures/photos posted in public areas of the factory. This issue has been verified through observation, confidential interviews and documentation.
<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.											
Pregnancy Risk	VN Labor Code, Ch.10, Article 115: An employer must not allow a female employee who is seven months or more pregnant or currently raising a child under twelve (12) months old to work 7 hours perday with full pay, no overtime or at night.	Employers will ensure that pregnant women are not engaged in work that creates substantial risk to the health of the pregnant woman.	Factory has not established a procedure to maintain a list of pregnant workers for beneficial treatment as per legal requirements, which should be kept in the Administration Dept.	MGT interview			Establish a procedure to maintain a list of pregnant workers who are entitled to beneficial treatment as required by local law. The list should also serve the purpose of controlling job assignments and preventing exposure to hazardous chemicals.	January 31,2004	Factory has issued a policy announcement on special treatment for pregnant workers and nursing mothers, listed all affected workers and has followed up on benefits and treatment accordingly.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	Documents affirming this policy have been provided to all employees and staff members. There are pictures/photos posted in public areas of the factory. This issue has been verified through observation, confidential interviews and documentation.
<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	Circular No. 22 dated November 8th 200 of the MOLISA giving instructions for the declaration, registration and application for the use of machinery, equipment, materials and substances having strict occupational safety requirements such as Elevator, Boiler and Air Compressor.	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	No permits found for equipment requiring operational permits, including: elevator, boilers and air compressors.	Record review			Maintain on file permits for equipment requiring operational permits, including: elevator, boilers and air compressors.	February 28,2004	Factory has obtained all legal operational permits for elevator, boilers and air compressors as required under Circular No. 22/ MOLISA	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through documentation.
Evacuation Procedure		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	Safe evacuation planning & practice inadequate. Written evacuation procedure not posted in factory. Fire / Evacuation drill should be conducted at least every 6 months, but the last one was conducted in 2002. No drill thus far in 2003 (Oct).	Record review Workers' interview			Post directions for evacuation within the factory in the event of fire or toher emergency. In addition, conduct fire drills as least twice per year.	February 28,2004	Factory has made an evacuation plan and diagram for whole factory. Evacuation procedure includes practice fire drills for workers. Fire drill will be conducted twice per year, and will maintain on file schedules, minutes, and pictures of these drills	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through documentation and confidential interviews.
Evacuation Procedure		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	Side aisles are narrow and often obstructed. One emergency exit door linking the stairway between two workshops was locked during monitoring inspection.	Visual inspection			Aisles need to be kept clear at all times. In addition all exits need to remain unlocked in the case of an emergency.	March 31,2004	Aisles will remain clear of all obstruction and exits will remain unlocked. Factory will also establish a health and safety committee with worker and union representatives, post and announce their responsibilities. The committee's purpose is to monitor health & safety issues in the factory. Factory will also provide training to management and workers about health & safety issues.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through observation and review of relevant documentation.

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation					
			Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
Evacuation Procedure		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	Exit signs are too small to be visible from a distance and lack emergency illumination.	Visual inspection			Exit signs need to be replaced with larger signs so that they can be seen from a distance and they need to be illuminated	February 28,2004	Factory has installed new exit signs, in a sufficient size, and illumination. This will be monitored by the health & safety committee.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation.
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	Fire extinguishers not properly checked and maintained. Inspection system exists for fire extinguishers but several fire extinguishers were discharged / not maintained.	Visual inspection			Fire extinguishers need to be inspected on a periodic basis to prevent non-functioning fire extinguishers if there is an emergency.	February 28,2004	All fire safety equipment has been numbered and inspected monthly with inspection tags for documentation. Name of person in charge and all related documents will be maintained on file. This will be monitored by the health & safety committee.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation and review of relevant documentation.
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	Several fire hose boxes are non-functional. They lack hydrants to supply water.	Visual inspection			Fire hoses need to be connected to hydrants to supply water.	February 28,2004	Factory has provided supplying system for the hydrant systems and name of person in charge has been maintained on file. This will be monitored by the health & safety committee.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation and review of relevant documentation.
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	Some fire alarms & extinguishers are obstructed and not sufficiently visible from distance.	Visual inspection		Areas in front of fire fighting equipment are not kept clear at all times, and are not marked to be distinguishable from a distance.	PVH immediately engaged the factory management and they established a suitable corrective action plan to ensure that this issue is corrected as per code.	March 31,2004	The areas around fire alarms and fire extinguishers will be kept clear at all times and the area will be marked so that it is distinguishable to the workers. The Health and Safety Committee will follow up and check periodically and maintain records on file	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation.
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 have not been trained & do not use PPE consistently or effectively. Cutting gloves were not in use in cutting section, no hearing protection in embroidery, no PPE for chemical use.	Visual inspection			Appropriate personal protective equipment needs to be provided to all workers. In addition, training on PPE use and benefits needs to be provided to all workers.	February 28,2004	Factory has provided PPE training to workers and identified mandatory PPE for jobs/ sections, providing suitable PPE for cutting, embroidery and chemical use workers.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation and confidential 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	Factory has no system for management of hazardous chemicals in use (acetone and glue bond) There was no MSDS, safety instruction on handling, storage hazardous chemical found. Facility has no documentation of chemical Safety training.	Visual inspection			Maintain on file MSDS and ensure that they are accessible to all workers.	February 28,2004	Factory has obtained all MSDS for all chemicals in use and has had them translated into Vietnamese Chemical safety training has been provided to employees. MSDS are kept on file, at work stations, storage areas and clinic. This will be monitored by the health & safety committee.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation and confidential interviews.
Chemical Management for Pregnant women and juvenile workers		To prevent unsafe exposure to hazardous chemicals, appropriate accommodations shall be made for pregnant women and minors as required by applicable laws in a manner that does not unreasonably disadvantage employees	Factory has not established a procedure to maintain a list of pregnant workers for the purposes of controlling job assignments & preventing exposure to hazardous chemicals.	Record review Visual inspection			Establish a procedure to maintain a list of pregnant workers who are entitled to beneficial treatment as required by local law. The list should also serve the purpose of controlling job assignments and preventing exposure to hazardous chemicals.	February 28,2004	Factory has prepared a list of pregnant and juvenile workers and procedures to review their job assignments to prevent exposure to hazardous chemicals.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation, confidential interviews and review of relevant documentation.
Ventilation/Electrical/facility maintenance		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	Electrical systems and maintenance are unsafe. Many loose & exposed electrical wires and open electric panels, create potential hazards.	Visual inspection			Repair and maintain loose and exposed electrical wires and open electric panels as these areas are potential fire hazards.	February 28,2004	Factory has reviewed and fixed all broken devices to ensure safe working conditions. Training to management and workers about health safety issues has been provided	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation.
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Most of sewing machines are missing needle guards	Visual inspection			Install needle guards on all sewing machines.	February 28,2004	Needle guard for sewing machines have been installed and regular checks and maintenance will be performed	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation.
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	Toilet facilities lack soap and paper.	Visual inspection			Install soap and paper in all toilet facilities.	February 28,2004	Soap and paper have been installed in the factory lavatories.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation.
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees	Factory has no safety committee or other worker participation in safety planning.	Record review Visual inspection			Organize and establish a safety committee or other worker participation to ensure safety planning.	February 28,2004	Health and safety committee with union and worker representatives has been established. Have posted and announced their responsibilities	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through observation and review of relevant documentation.
Other		Factory required to organize annual health checks for workers under Circular No 13 dated 24/10/1996 of the MOH giving instructions for the administration of occupational health. Employee's health and occupational diseases	Factory has not conducted annual health checks for workers as required by law.	Record review Workers' interview			Conduct annual health checks for all workers as required by local law.	March 31,2004	Annual checks will be provided to all workers	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and review of relevant documentation.
<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			NO ISSUES FOUND								
<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											
Minimum Wage		Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher	No evidence of violation found. Factory pays wages above average for the local industry.	Record review Worker interviews							
Wage Benefits Awareness		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	Workers do not understand OT pay premium requirements. Workers could not remember salary in labor contract. 14 interviewed workers said they calculated the total salary by multiplying total pieces and unit price.	Worker interviews			Clearly communicate to all workers the hours of work policy - including overtime wages and how it is calculated.	February 28,2004	Facility has announced and published its OT payment policy and wage formulas (consistent with local law) to workers and provide training to ensure they understand calculation of wages and OT.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and review of relevant documentation.
Pay statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions	Workers do not receive a copy of their pay-stub or itemized wage calculation.	Records review MGT interview			Provide worker with a detailed wage statement for each pay period.	February 28,2004	Pay slip with clear details and breakdown have been provided to workers.	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews and review of relevant documentation.
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	Factory has a Swipe Time Recording system, but does not use accurately or consistently. Workers are not required to swipe regularly as factory maintains manual time attendance records. Swipe card data is printed out then entered by payroll staff into hours & payroll spreadsheets. Original swipe time records are not maintained in the computer. 9 interviewed workers said they did not swipe cards/ time machines did not work, but their leader kept manual records.	Records review MGT interview Worker interviews		Factory management has not established a reliable and effective time recording system in place. Actual records do not reflect the actual working hours of the workers.	PVH immediately engaged the factory management and they established a suitable corrective action plan to ensure that the time recording system in the factory is reliable and reflects workers' hours accurately.	March 31,2004	A computer service provider has been engaged to establish the software linking swipe cards to payroll systems. Training to all staff and workers will be provided in the proper use of the time card system and in understanding the importance of time cards in calculating pay and OT compensation	During the follow-up conducted on June 6,2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.

FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings			Remediation					
			Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation
<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											
Forced overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	Factory MGT has no voluntary OT policy. Interviewed the Production Manager on voluntary OT work methodology; factory manager announces OT schedule on loud speakers and workers just stay to work OT as announced. There is no procedure for worker to refuse OT.	Records review MGT interview Worker interviews			Establish and implement a system to ensure all overtime work is voluntary.	March 31,2004	Factory management will implement a system in which workers will need to sign an overtime request form or sign up to ensure voluntary overtime. Factory will post and announce the voluntary overtime policy and will provide training to supervisors and managers.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
Overtime Limitations		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	<b>Monitors cannot verify the working hours due to lack of accurate, reliable time records.</b> Original swipe data is not kept but is reentered into monthly spreadsheet called Attendance Sheet. (See attached Minutes on Lacking Original Time Records signed by MGT) Available time information in the time data sheets were prepared by personnel staff re-entering the data from the original swipe records. According to this time data sheets, OT work in this facility falls within Code & Law requirement from Oct 2002 to August 2003. According to the time sheet provided by Mgt, workers only worked on 1 Sunday in Nov & 1 Sunday in Dec 2002. Workers did not work any Sunday from Jan to Aug 2003.	Records review MGT interview		Factory management has not established a reliable and effective time recording system in place. Actual records do not reflect the actual working hours of the workers.	PVH immediately engaged the factory management and they established a suitable corrective action plan to ensure that the time recording system in the factory is reliable and reflects workers' hours accurately.	April 1,2004	A computer service provider has been engaged to establish the software linking swipe cards to payroll systems. Training to all staff and workers will be provided in the proper use of the time card system and in understanding the importance of time cards in calculating pay and OT compensation. In addition, factory shall communicate to managers and supervisors of the factory's policy to minimize overtime hours, strictly adhere to and observe code and legal overtime limits and prevent overtime and day of rest violations through advance planning and scheduling, additional workers/shifts, etc.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary	There is no procedure to ensure voluntary OT. Workers are unaware of any policy or procedure to refuse OT. 15 out of 20 interviewed workers said OT is not voluntary, workers just follow the announced OT schedule. In order to not work OT workers have to write a letter & apply for leave/ permission.	Records review MGT interview Worker interviews			Establish and implement a system to ensure all overtime work is voluntary.	March 31,2004	Factory management will implement a system in which workers will need to sign an overtime request form or sign up to ensure voluntary overtime. Factory will post and announce the voluntary overtime policy and will provide training to supervisors and managers.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
<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.											
Accurate recording of OT hours worked?		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	OT hours are not recorded accurately. Factory pays strictly according to piece rate and does not pay premium for OT hours as required by code & law.			Factory management does not observe the legal requirement regarding overtime compensation to workers.	PVH immediately engaged the factory management and they established a suitable corrective action plan to ensure that overtime compensation is observed as per code and local law.	February 28,2004	Factory has posted announcements of new overtime payment method and pay accordingly.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
OT Compensation	According to Circular 13/2003/TT-BLDTBXH dated May 30,2003, section V- item 2- point b; and Circular 114/ 2002/ND-CP dated Dec 31, 2002 giving detail instruction for implementation of relevant provision of Labor Code about wage.)	The factory shall comply with applicable law for premium rates for overtime compensation	No overtime premium rate paid as required by code & law. Reviewed 14 payroll cases from every month of Oct 2002 until Aug 2003; 4 cases did not receive 30% premium payment for night work after 21:00pm from Nov 2002 until Mar 2003. OT, nightshift and holiday working rate are not applied.			Factory management does not observe the legal requirement regarding overtime compensation to workers.	PVH immediately engaged the factory management and they established a suitable corrective action plan to ensure that overtime compensation is observed as per code and local law.	February 28,2004	Factory has posted announcements of new overtime payment method and pay accordingly.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
OT Compensation Awareness		Workers shall be informed about overtime compensation rates, by oral and printed means	No information on OT pay provided to workers. 14 out of 20 interviewed workers don't understand OT premium pay. 14 out of 20 interviewed workers said they received salary by earning piece work (without regard for reg. OT or Sunday OT)				Clearly communicate to all employees the hours of work policy - including overtime and overtime wage.	February 28,2004	Factory has posted announcements of new overtime payment method and pay accordingly; has conducted trainings with payroll personnel of wage calculations, and have provided workers with pay slips that include details, of overtime pay.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
OT Compensation for Piece	According to Circular 13/2003/TT-BLDTBXH dated May 30,2003, section V- item 2- point b; and Circular 114/ 2002/ND-CP dated Dec 31, 2002 giving detail instruction for implementation of relevant provision of Labor Code on wages.)	Where workers are paid on a piece rate, the payment for overtime work performed shall result in no less payment than the premium pay required by law	Factory does not pay premium for piece rate OT as required by Law. Reviewed 14 payroll cases from every month of Oct 2002 until Aug 2003, all cases did not get pay extra 50% of piece-work rate performed during OT hours; all cases did not get pay extra 100% of piece-rate performed during Sunday OT work.			Factory management does not observe the legal requirement regarding overtime compensation to workers.	PVH immediately engaged the factory management and they established a suitable corrective action plan to ensure that overtime compensation is observed as per code and local law.	February 28,2004	Factory has posted announcements of new overtime payment method and pay accordingly.	During the follow-up conducted on June 6, 2004 auditors found that this issue had been corrected.	This issue has been verified through confidential interviews, observation and review of relevant documentation.
<b>Miscellaneous</b>											