

*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	China
Factory name	230015112B
IEM	Kenan Institute Asia
Date of audit	14-15 Oct. 2003
Days in the facility	2 days
PC(s)	Riddell
Number of workers	2650
Product(s)	Helmet
Production processes	Assembly line

		Findings				Remediation
FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	Factory Response
<b>1. Code Awareness</b>						
Code posting/information	No applicable law.	FLA Principles of Monitoring, Obligations of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	No FLA code or Riddell code posted in the factory, only factory regulations.	Visual inspection, workers interview, and management interview.		FLA compliant workplace standards have been drafted and posted in locations throughout the factory designated for the purpose of workplace communications. Copies of these documents have also been disseminated to Factory approved suppliers and contractors.
Worker/management awareness of Code	No applicable law.	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.	No code training for workers in the factory.	worker interviews		Factory new-hire orientations have been modified to include training on workplace standards as defined by FLA. This requirement has been communicated to Factory suppliers. Standards are posted throughout the factory in designated areas.
Confidential non-compliance reporting channel	No applicable law.	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.	There are suggestion boxes, and workers have access to the management, however no other form of reporting channel exists.	Workers' interview.		Factory's policy has been such that workers are encouraged to raise issues of concern to their direct supervisor or the HR department. This policy has been further defined and written to establish a formal and informal line of communication for the employee to voice grievances or other concerns to all levels of company management. This policy has been communicated to all factory personnel and will be included in the orientation training. (This information has been previously communicated to FLA auditors - please refer to "worker's reporting channel dealing system"). In addition to the new-hire orientation meeting, monthly employee meetings have been conducted for quite some time, during which factory workers' suggestions on workplace standards have been solicited. This practice will continue.
<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						
Employer Controlled Residence		Workers will not be required to live in employer-owned or controlled residences	Workers who want to live outside the factory have to present evidence that they are legally married.	workers interview		It is Factory's policy to provide on-site residency to employees within the constraints of the available housing on site. Such residency is not required and is strictly voluntary. An exception was made to our housing policy during the recent SARS epidemic. During that time, we required most Factory employees to live inside the confines of the Factory campus in order to minimize infectious encounters. This policy exception was in accordance to local government recommendations and was implemented strictly as an emergency measure. This requirement ceased once the government officially declared SARS no longer a threat to people in the region of South China.
<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.						
Disciplinary Practices		Employers will utilize consistent written disciplinary practices that are applied fairly among all workers	For many newly employed workers, they are not clear about the disciplinary procedures.	workers interview		It is Factory's policy and practice that all new employees shall receive training during their orientation specific to disciplinary procedures. This policy is posted in designated communications centers and is a topic of monthly employee meetings.

		Findings				Remediation
FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	Factory Response
Verbal abuse		Employers will prohibit screaming, threatening, or demeaning verbal language	It was found that supervisor disciplined the workers harshly.	witnessed by auditor		Factory's written policy as well as our general practice has been to treat all employees with dignity and respect. We have looked into the incident reported by the FLA auditor and found that the incident reported by the auditor was an isolated incident stemming from gross negligence on the worker's part. The responsible supervisor has been reprimanded and the subject has been the topic of recent supervisory and general employee training.
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance	Fines were listed in the HR policy as a disciplinary measure. Workers reported fines and we found a written record of fines.	workers interview, records review		We have reviewed our practice related to levying fines to employees as a disciplinary action with the local China Labor governing board. Our findings reveal that Factory's practices related to levying fines as a disciplinary measure against workers who willfully disregard supervisory instruction is well within the bounds of Chinese labor law, providing however, that the fines and penalties do not exceed 20% of the employee's total wages. We have also reviewed this practice within the structure of our current policies, practices, and procedures regarding employee development and have decided to discontinue this practice, effective March 1, 2004.
<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 Discrimination		Information arising from pregnancy testing undertaken voluntarily will not be used as a factor in involuntarily reassigning, firing or making any other employment decision that disadvantages a pregnant woman	A worker interviewed working in the painting dept. said someone told her that female workers in her dept. quit once they got pregnant.	workers interview		We have looked into this report and find that it is completely unfounded. Furthermore, Factory's policy states that no female worker will be discriminated against on the basis of pregnancy.
<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						
PPE	China Health and Safety Regulations: worker shall wear appropriate protective equipment.	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.	Cloth masks are used for workers handling hazardous solvents.	visual inspection		Factory's policy and practice is to provide all necessary protective equipment such as gloves, eye protection, hearing protection, etc. to all workers engaged in the process of performing their work duties to ensure the protection of their health and welfare. Note that Factory received praise from the FLA auditor for our practices in this regard, with the only exception being the use of cloth masks in the painting department. We have determined that these cloth masks meet all government health agency requirements and are adequate to protect the health and welfare of our workers. Further, we have obtained written certification from the China Environmental Protection Bureau that the air quality of our factory satisfactorily meets all government guidelines.
Chemical Management	China Health and Safety Regulations: Chemicals shall be properly stored in a safe area.	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	Chemical storage area is not isolated from the production floor. Workers do not have health and safety training.	visual inspection and workers interview		#####'s policies, practices and procedures call for all employees to be trained in the usage of chemicals that could be potentially hazardous to the employee's health or to the environment. Upon further analysis, we find that this topic is not adequately covered during the initial employee orientation and as a result, improvements will be made in our instruction. Further, we have committed to improving posted communications regarding the presences of harmful chemicals and the proper procedures in handling them during proper use or emergency situations. It is #####'s policy that all chemicals and other potentially hazardous substances shall be properly labeled and securely stored so as to protect the health and welfare of all employees and the environment. We have also reviewed our policy regarding chemical storage and have decided to change our policy and practice to allow no more than one (1) day's supply within the factory where employees are present and engaged in production activities. All excess materials shall be stored in a secure area specially designed for this purpose.
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	Ventilation is not adequate and the workshop is not well lit.	visual inspection		Our policy and practice is to ensure adequate lighting and ventilation for all factory work processes. Our investigation revealed that due to an overall factory slowdown, lighting and ventilation specific to areas where no work was being performed was shut down, causing a deficiency in the areas where limited work was taking place. We have changed our practice to require that all lighting and ventilation within a contiguous work area shall be operating during any work process within that area.
<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						

FLA Code/ Compliance issue	Findings				Remediation	
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	Factory Response
<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						
Legal benefits	Article 72 The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practiced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.	Employers will provide all legally mandated benefits to all eligible workers	Of the records inspected only one canteen worker who has been working in the factory over 6 years has social security.	worker interviews		Our own internal audit has assured us that ##### is compliant with all China Government regulations, including Article 72. Further we have obtained concurrence from our local government and social insurance bureaus to ##### is in compliance with the 400 workers reported for social insurance during 2003. This information and copies of the documentation were provided to the FLA auditor.
Record Maintenance		All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.	Factory deletes time records from computer files after workers resign. It was found that 5 workers from the painting section all resigned at the same time, but we could not verify their records.	records review		We have reviewed our practice related to the retention of terminated employees payment documents. Our practice has been to retain records containing work hours record, and release wage autographs for all active employees. These records were audited by FLA auditors and found to be in compliance. Due to constraints in our electronic data storage system, it has been our practice to purge this information following an employee's termination from #####. In order to comply with FLA's recommendation, we have decided to print a copy of terminated employee's pay records upon termination and retain it for a period of 1 year following the employee's termination.
<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						
Overtime Limitations	According to Article 41 of Labor Law of the People's Republic of China, The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reason, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.	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	Overtime work is more than 60-74 hours per month (July thru August).	Workers' interview and records review		As stated by the FLA report, employers may be exempted from some overtime requirements in extraordinary business circumstances. In our case, the "peak" season for toy production (July through August) does create extraordinary business circumstances for our company since more than 50% of our annual production is produced during this time. We have applied to the local government labor bureau to be included in a "compositive work hours system" which allows for this practice. This application was noted by the FLA auditor and copies of said documentation was retained by them. Within the "compositive work hours system" ##### is fully compliant with all government's requirements: workers rest one day per week, the extended working hours per day shall not exceed 3 hours, overwork is voluntary and such exception shall be mostly limited to the peak production season. In any case, no worker's extended working hours may exceed 432 hours within a calendar year.
<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>						