

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.

Country	Philippines	Factory Profile								
IEM	Verité	# Workers	108							
Factory Code	06015932A	Product	tops, bottoms							
Date of monitoring visit	11/15/01									
Duration of IEM Evaluation										
Participating Compan(ies)	Levi Strauss & Co.									
		Findings		Remediation						
FLA Code	FLA Code Benchmark/Legal reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	PC Comments	Due Date	Follow-up Date	PC follow-up		
1. Code Awareness										
Posting Laws	Per FLA Principles of Monitoring IB, 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.	The auditors reported that a variety of languages are spoken by workers (Tagalog, Visayan, and English), but that national and local labor law were only posted in English.	1. Seek translation (from DoLE) of these national and local labor laws in other local dialects and post at bulletin boards. 2. Updates to these laws and from DoLE/other government agency	Completed. Translated versions of local laws are already posted, side by side with the English version.		2/27/02	3/7/02	PC has verified the posting.		
Policies / Procedures	Per FLA Principles of Monitoring IB, Obligations of Companies: Create an Informed Workplace: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and supplier. Receive written certifications, on a regular basis, from Company factories as well as contractors and suppliers that standards are being met, and that employees have been informed about the standards. Obtain written agreement of Company factories and contractors and suppliers to submit to periodic inspections and audits, including by accredited external monitors, for compliance with the workplace standards. Create an Informed Workplace: 1. 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.	Management reported that they do not have policies on harassment or abuse. The auditors reported that the factory's personnel policies did not cover wages, benefits and deductions, vacations, overtime rates, grievance procedures, personal/sick leave policies, or harassment and abuse (Attachment B: Sample Personnel Policies). (cont. below) The auditors reported that the policies were not posted, but have been distributed to workers. Regarding discipline and termination procedures, some workers reported that, although they have been informed of original discipline and termination procedures, they have not been informed of subsequent changes in the sanctions issued by the factory	1. Factory shall do a thorough review and make improvements to current employee rules, regulations and procedures. Shall maintain English and Tagalog version and post prominently on all employee bulletin board. 2. Factory to do a thorough training of entire workforce on updated rules and regulations. Training to be fully documented.	Factory organized a working group to look at the current policies and also the translation. Draft work was presented but there is a lot of work to be done. The factory has showed quotations from external (school) to provide help on the translation. Once all these are done, the Man Com (Senior Management) will review proposals of the working group on how to improve the policies. The factory is asking for a 2 months extension for the work group on how to improve the policy. The factory is asking for a 2 months extension for all the work to be completed.	Shall do a follow up check end-April to ensure compliance has been completed.	2/27/02	3/7/02	PC has checked factory policies and handbook and has verified that these were revised to meet the standards. Furthermore, factory rules and regulations have been translated into local language		
2. Forced Labor										
3. Child Labor										
Age Verification	Per FLA Benchmarks IIB, Child Labor: 1. Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth. 2. In those cases where proof of age documentation is not readily available, employers will take precautions to ensure that all workers are at least the minimum working age, including medical or religious records, or other means considered reliable in the local context.	The auditors reported that the factory's personnel files did not contain copies of appropriate age-verification documents.	2. For files that do not have photocopies of birth certificates, send request to concerned employees. 3. Age verification policy should be strictly enforced in the hiring process. Communicate the importance of the policy to all hiring personnel.	Completed		1/30/02	3/7/02	PC has checked personnel files and verified existence of proof of age documents.		
4. Harassment or Abuse										
Discipline and Termination	Per FLA Benchmarks IIB, Harassment or Abuse: 1. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 2. Employers will utilize consistent written disciplinary practices that are applied fairly among all workers. 3. Employers will provide training to managers and supervisors in appropriate disciplinary practices.	(Some) judged the factory's discipline and termination policies to be unreasonable. [most of the] citations as an unfair management's policy of an automatic five day suspension for workers with an un-notified absence. These workers argued that if workers are sick, they are often unable to notify the factory in advance of their absence. [It was also] reported that a co-worker had submitted a medical certificate to justify her absence, but was told by management to either resign or be dismissed. (cont. below) The factory personnel policies contain a progressive list of fines for tardiness that exceed the time missed by the worker (Attachment B: Sample Personnel Policies). For example, a worker who is between 31 and 60 minutes late has 30 percent of their daily base wage deducted as a fine.	1. Factory must review and improve existing policy on absences and tardiness. These should give positive rather than negative reinforcement to workers. Current policy is too harsh in relation to the infraction. 2. Factory to get worker feedback on new policy. Thorough training to be conducted on new policy. Policy to be translated into Tagalog. 3. Training and implementation of policy to be fully documented.	Factory organized a working group to look at the current policies and also the translation. Draft work was presented but there is a lot of work to be done. The factory has showed quotations from external (school) to provide help on the translation. Once all these are done, the Man Com (Senior Management) will review proposals of the working group on how to improve the policies. The factory is asking for a 2 months extension for the work group on how to improve the policy. The factory is asking for a 2 months extension for all the work to be completed.	Shall do a follow up check end-April to ensure compliance has been completed.	1/30/02	3/7/02	Contractor consulted with worker representatives to revise the disciplinary policies and drafted the revised policy. Policy was submitted to the Board of Directors for final approval.		

Findings		Remediation						
FLA Code	FLA Code Benchmark/Legal reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	PC Comments	Due Date	Follow-up Date	PC follow-up
Verbal Harassment	Per FLA Benchmarks IIIB, Harassment or Abuse: 1. Employers will prohibit screaming, threatening, or demeaning verbal language. 2. Employers will provide training to managers and supervisors in appropriate disciplinary practices. 3. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	[Some] workers reported on-going verbal abuse from the supervisor. Workers reported that the supervisor persistently yells at workers and insults and/or humiliates them. Some workers reported that it is contract workers who receive most of the abuse. Although management has called this supervisors attention to her behavior, [most] workers reporting the abuse judged management's action to be inadequate (see Employment and Personnel Policies). (continue below)	1. In line with the review and establishment of a clear harassment and abuse policy, factory shall reinforce policy by conducting thorough training of supervisors and managers on how to effectively manage a 2. Training to be fully documented.	Factory organized a working group to look at the current policies and also the translation. Draft work was presented but there is a lot of work to be done. The factory has showed quotations from external (school) to provide help on the translation. Once all these are done, the Man Com (Senior Management) will review proposals of the working group on how to improve the policies. The factory is asking for a 2 months extension for the work group on how to improve the policy. The factory is asking for a 2 months extension for all the	Shall do a follow up check end-April to ensure compliance has been completed.	2/15/02	3/7/02	With regards to [the supervisor], factory management held a series of meetings with her on how to properly supervise and manage her subordinates. There was also a series of general meetings called between managers, supervisors, and workers on how to properly conduct themselves during work hours and their roles and responsibilities. Minutes of the meetings were documented and handouts were given to workers.
5. Nondiscrimination								
Pregnancy Testing	Per FLA Benchmarks IVB, Nondiscrimination: 4. Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law. 1. Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.	[Some] workers interviewed reported that they were required to take a pregnancy test when applying. [A number of workers] also reported that they are required to take a pregnancy test while employed. [Also], workers reported that female applicants are not hired if they are discovered to be pregnant.	1. Factory confirmed to PCs. that there is no policy/practice that discriminates against pregnant women. Nor do they require pregnancy testing as a pre-employment condition. 2. Factory shall clearly state on pre-employment requirement form that pregnancy testing is not a condition for employment. 3. Factory shall also state in revised worker policies that pregnant women will not be discriminated against during employment.	We have checked the employment files and pre-employment medical exams and did not see any pregnancy testing conducted on the report.		2/27/02		Contractor added a statement to the physical examination form that physical exam does not include pregnancy testing. This form is used by the applicant when going to the designated clinic for the physical exam.
Gender based training	Per FLA Benchmarks IV. B.1. Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.	A. When asked how many workers are trained in the use of a fire extinguisher, management reported that all male workers [**] are so trained.	1. Train more female employees on fire extinguisher use (only male employees and a handful of female employees are trained). Document all training.	Completed. On March 2, 2002, 10 female workers were trained on proper use of fire fighting equipment.	Shall do a follow up check in April to check on the results of the March fire drill.	2/15/02	3/7/02	PC has confirmed that fire drill safety training has been done and was documented.
6. Health and Safety								
Fire Safety	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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.	B. Management reported that they conduct a fire drill once per year.	2. There was a fire drill conducted in April and November 2001 but drills were not documented. Document all fire drills.	On February 23, 2002, an emergency evacuation drill was conducted. Total time to evacuate was 1 minute and 35 seconds. End-March will be the next fire drill as factory failed to take photos of the exercise.	Shall do a follow up check in April to check on the results of the March fire drill.	2/15/02	3/7/02	PC has confirmed that fire drills were completed on schedule and documented.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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.	C. The auditors reported that none of the work areas except for sewing had emergency evacuation maps. Additionally, the evacuation map in the sewing area was a map for the packing and checking sections. The map was not written in a language understood by most workers.	3. Factory has already relocated evacuation maps. Factory should enlarge the maps so that these are prominently displayed and easier to read.	The documented fire evacuation procedures are more organized now as factory placed details at designated areas accessible to workers.				PC has confirmed that evacuation maps are easier to read and accessible.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	A. The auditors reported that no lines are marked on the factory floors indicating the area to be kept clear.	A. As a minimum requirement, Factory must ensure that all aisles are kept clear at all times. As there are plans in 2002 to repaint entire production floor, Factory may install floor markings and this comes as a suggestions, not a requirement.	Factory has requested for an extension for action items A to E as they would want to do this during the period of Holy Week (i.e. plant shutdown as doing it now will affect production).	Shall do a follow up check end-April to ensure compliance has been completed.	1/30/02	3/7/02	PC has confirmed that all items have been completed with regards to cleared aisles and passageways, stair handrails, and clear markings for all exit routes.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. 8. 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.	B. The auditors reported that the exit[ts] in the pressing and cutting areas were not marked with signs clearly visible from 100 feet away and that none of the exit signs in the factory were internally illuminated with a light source backed by battery.	B. Exits signs are in-place but should be relocated to make sure these are prominently displayed.	Factory has requested for an extension for action items A to E as they would want to do this during the period of Holy Week (i.e. plant shutdown as doing it now will affect production).	Shall do a follow up check end-April to ensure compliance has been completed.	1/30/02	3/7/02	PC has confirmed that all items have been completed with regards to cleared aisles and passageways, stair handrails, and clear markings for all exit routes.

FLA Code	Findings		Remediation					
	FLA Code Benchmark/Legal reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	PC Comments	Due Date	Follow-up Date	PC follow-up
	Per FLA Benchmarks V, Health and Safety: 1. 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. 3. 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.	C. The auditors reported that the stairwell in the cutting building that leads to the second floor warehouse has a handrail on only one side.	C. Install additional handrail at cutting area.					
	Per FLA Benchmarks V, Health and Safety: 1. 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	D. The auditors reported that the enclosed areas of the cafeteria, the accessories warehouse, and the cutting and packing/pressing/finishing sections have only one exit each. Additionally, the one exit in the pressing section is used as a loading area, requiring workers to use the exits in the adjacent sewing section. The two exits in the sewing section are located on the same side of the building.	D. The production area need not build additional exits as current set-up is already acceptable. As a minimum requirement, Factory must ensure that these exits are clear at all times.					Factory building configuration is an L shape. One whole side of the factory is kept open at all times from one end to the other. So even if one portion is blocked, worker has ready access from the other sides in order to exit the building. Building is also just one story.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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.	E. The auditors reported that the emergency exit routes are not marked on the factory floors.	E. Install floor arrows leading to all exits.					PC has confirmed that floor arrows leading to exits have been installed.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. 8. 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.	F. The auditors reported that emergency lighting is installed in the factory, but is not located near passageways that lead to exits.	F. Factory shall install additional lights that clearly illuminates aisles leading to exits.	Action item F completed.				PC has confirmed that this has been completed.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. 8. 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.	G. The auditors reported that the electric generator used to power emergency lighting and the water pump needed for the fire fighting hose was located near the factory's kitchen. The auditors judged that if a fire occurred in the kitchen (the location where auditors felt it most likely to occur), the generator will be made inaccessible to power the emergency systems and fire hose.	G. Factory has plans to relocate the canteen area (near to where the generator is housed) in 2002.					As of this time, factory is still studying the relocation of the generator away from the canteen area due to lack of space. Factory has completely cleared the area surrounding the generator and added more fire safety equipment.
Accident Log	Per FLA Benchmarks VB, Health and Safety: 9. All safety and accident reports shall be maintained for at least one year, or longer if required by law.	A. Management reported that they do not keep a record of factory accidents or injuries.	A. Factory to establish accident/incident logbook.	Completed: Accident log-book already in-place.		1/30/02	3/7/02	PC has confirmed that this has been completed.
Machine Guarding	Per FLA Benchmarks VB, Health and Safety: 1. 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. 10. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	A. The auditors reported that the factory overlock machines were not equipped with eye-guards.	A. Current machines meet this requirement. All overlock and special machines have eye-guards permanently installed.					PC has confirmed that this has been completed.

Findings		Remediation						
FLA Code	FLA Code Benchmark/Legal reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	PC Comments	Due Date	Follow-up Date	PC follow-up
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 10. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	B. Install a safety cover or shield preventing accidental contact over the moving chain on the chain block machine.	B to G: First floor area where chain block descends shall be enclosed with fencing to ensure that nobody can enter the area when it is in operation. Factory shall also install the necessary floor markings and signs so that the concerned workforce are aware of the dangers. Factory to conduct a thorough and documented training of concerned personnel after area has been renovated.	Factory has requested for an extension for action items A to E as they would want to do this during the period of Holy Week (i.e. plant shutdown as doing it now will affect production).	Shall do a follow up check end-April to ensure compliance has been completed.	2/15/02	3/7/02	Factory has installed fencing around the chain block area and installed safety warning signs in the area. Factory has kept the number of workers that have access to this area down to two workers only. Factory has trained and retrained these two workers on proper procedures. Training was not documented.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 10. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	C. The auditors reported that there is a chain block machine that carries down rolls of fabric from the second-floor warehouse to the ground floor of the cutting building. However, the auditors reported that there is no guard railing surrounding the open space left on the second floor when the chain block is down on the first floor, posing a safety hazard for workers.						
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 10. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	D. Mark with yellow lines the area to be kept clear for the chain block on the first floor of the cutting building.						
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 10. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	E. The auditors reported that the first floor landing area for the chain block in the cutting building was not marked with yellow line indicating the area to be kept clear, nor were signs posted alerting to the danger of the descending chain block or of falling fabric rolls.						
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 5. 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.	G. The auditors reported that workers who operate the chain block between the second and first floors of the cutting building were not wearing hard hats or protective boots needed for their jobs.						
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 5. 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. 2. 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.	F. The auditors reported that no informational notices or posters on the recommended or require use of PPE are posted in the factory.		Action item F completed.				Workers were trained on proper PPE use during the series of general meetings between Management and workers in 2002. Meeting minutes were documented.
7. Freedom of Association and Collective Bargaining								
Grievance Procedures		[Some] workers reported that the grievance procedures are not effective, with [additional] workers reporting that they are "sometimes" effective.	Factory's current grievance procedure makes use of worker suggestion boxes. Responses to the suggestions are posted on bulletin boards. In order to further improve communications with workers, Factory should include on their employee general assembly a discussion on these management responses. This would enable workers to feel that their suggestions are given importance.	Factory General Assembly was held in December for family day affair and no issues were brought up by workers on said meeting. Another meeting is set on March and factory need to conduct worker "outreach" more so that communication on this topic should improve.	Shall do a follow up check in April to check on the March General Assembly results.	2/27/02	3/7/02	During the year 2002, there were 5 to 6 general assembly meetings with the workers. Workers were able to voice their concerns during these meetings and some of their concerns were recorded in the meeting minutes.
Freedom of Association	Philippine labor laws uphold the rights of all types of workers to self-organization and to form, join or assist a labor organization. (Addendum I: Philippine Labor Code, Article 243). Management reported that it allows workers to form or join unions. Per FLA Benchmarks VIB, Freedom of Association: 1. Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment. 2. The employer will not dismiss, discipline, or otherwise coerce or threaten workers seeking to form, join or participate in workers' organizations.	[Some] workers reported that management has acted to prevent workers from forming or joining unions. These workers recalled an incident in April 2001 where [a manager] told a general assembly of workers, "Go ahead, form a union. Who are you trying to scare here? We have a place for unions in this factory-- the door is wide open," a statement the workers interpreted as a threat of dismissal if workers joined a union.	Factory does not have a policy on Freedom of Association. As part of the factory's review of all it's current policies, Factory should include a policy on Freedom of Association and include it as part of the overall worker training.	Factory organized a working group to look at the current policies and also the translation. Draft work was presented but there is a lot of work to be done. The factory has showed quotations from external (school) to provide help on the translation. Once all these are done, the Man Com (Senior Management) will review proposals of the working group on how to improve the policies. The factory is asking for a 2 months extension for the work group on how to improve the policy. The factory is asking for a 2 months extension for all the work to be completed.	Shall do a follow up check end-April to ensure compliance has been completed.	2/27/02	3/7/02	In Sept 2002, there was a Certification Election in recognition of the union. Collective Bargaining Agreement was negotiated and union representatives were elected.
8. Wages and Benefits								

Findings								
FLA Code	FLA Code Benchmark/Legal reference	Monitor's Findings	PC Corrective Action Plan	PC Remediation Status	PC Comments	Due Date	Follow-up Date	PC follow-up
Minimum Wage	Per FLA Benchmarks VIIIB, Wages and Benefits: 1. Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher. 2. Where training wages are legally allowed, no worker will be paid a training wage for more than three months cumulatively.	The legal minimum wage for the region in which the factory is located is PhP250.00 (US\$5.00) per day (Addendum II: Regional Tripartite Wages and Productivity Board, Wage Order No. NCR-08, effective 01 November 2000). The auditors' analysis of payroll documents and worker testimony confirms that virtually all workers are earning at least the legal minimum wage as their base wage. However, auditor analysis of sample payroll records provided by management for one the workers appears to indicate that the worker received PhP 219 (US\$4.30) per day during the first two weeks of October 2001, but earned PhP266 (US\$5.22) per day during the remaining two weeks of October (Attachment C: Sample Payroll Documents). Although is it legal to pay trainees less than the legal minimum wage as their base wage, management reported that there are no trainees in the factory	Please send us an explanation on the wage payout of chosen factory worker for the month of October 2001.	Completed and received contractor explanation. Reviewed the payroll and explanation is valid. There are no workers who are paid less than the minimum wage. The person has a Vacation leave (VL) of 1.5 days which was reflected on separate column. In total the person received Php2,261.09 pesos for 8.5 days (inclusive of VL). The current minimum wage is now Php280.00 pesos and factory meets this wage.			3/7/02	After checking payroll register for these dates, this has been accomplished and issued to all workers.
9. Working Hours								
Rest days	Per FLA Benchmarks VIIIB, Hours of Work: 28. Employer personnel practices will demonstrate an effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand. 29. 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.	Workers interviewed reported working seven days per week during peak production periods. [It was] reported that overtime was not voluntary ([some] reported it as voluntary), but reported no penalties or pressure for refusing overtime. [Some] of the workers interviewed were judged to be cautious and reserved by the auditors. Philippine labor law grants workers one 24-hour break after working six consecutive days, but permits workers to work on their day-off and allows employers to require workers to work on their day off under special circumstances (Addendum I: Philippine Labor Code, Articles 91-93).	Factory should establish policy on OT and days-off (including work on peak periods). Factory is studying the feasibility of going into 2 shifts during peak months to meet this requirement.	Factory organized a working group to look at the current policies and also the translation. Draft work was presented but there is a lot of work to be done. The factory has showed quotations from external (school) to provide help on the translation. Once all these are done, the Man Com (Senior Management) will review proposals of the working group on how to improve the policies. The factory is asking for a 2 months extension for the work group on how to improve the policy. The factory is asking for a 2 months extension for all the work to be completed.	Shall do a follow up check end-April to ensure compliance has been completed.	2/27/02	3/7/02	Factory revised company rules and regulations and incorporated this into the new regulations. These regulations were also translated into the local language and were communicated during the series of general assembly meetings held in 2002.
Voluntary OT	30. The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations. 32. Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances. 40. Overtime hours worked in excess of code standard will be voluntary.	[It was] reported that overtime was not voluntary ([some] reported it as voluntary), but reported no penalties or pressure for refusing overtime. [Some] of the workers interviewed were judged to be cautious and reserved by the auditors.		OT is taken voluntarily and workers can refuse to perform OT. Factory should establish policy on OT and days-off (including work on peak periods). Factory is studying the feasibility of going into 2 shifts during peak months to meet this requirement.				Factory has implemented voluntary OT signature sheet for any OT hours rendered beyond 60 and workers have been diligently signing off on these sheets on a weekly basis.
10. Overtime Compensation								