

*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.

Factory Profile	
Country	China
Factory code	05001546A
IEM	Intertek Testing Systems
Date of monitoring visit	17-Jun-02
Duration of IEM Evaluation	6 Days
Participating Compan(ies)	Liz Claiborne, Inc.
Number of workers	1080
Product(s)	Knitted Garments

FLA Code/ Compliance issue	Findings				Remediation			Remediation Up-date		
	FLA Code Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	Corrective Action Plan	PC Comments/Remediation	Documentation	PC Remediation Plan	Completion Date	Documentation
<b>1. Code Awareness</b>										
<b>2. Child Labor</b>										
<b>3. Forced Labor</b>										
<b>4. Harassment or Abuse</b>										
Monetary Fines	<b>FLA Code Benchmark III. Harassment or Abuse:</b> Employers will not use monetary fines and penalties for poor performance.	In the factory rule, RMB 1 to 20 would be deducted for violating the factory rule such as "smoking & chatting in the workshop".			According to the factory's confirmation dated Aug 6, 2002, the factory has banned the deductions of all kinds. This amendment has yet to be incorporated into the new factory regulations.	Participating Company will confirm that these actions were taken. We are required to view the new factory regulations.		Eliminate monetary penalties for infringement of factory rules. Instead, establish a progressive disciplinary system to be included in the factory rules and regulations.	The factory confirmed that effective August 5, 2002, it ceased making deductions for violations of all kinds. Instead of monetary penalty, the factory issues verbal and written warnings to workers. These changes have been incorporated into the revised factory rules and regulations. The PC visited the factory on November 11, 2002 and reviewed the payroll records and confirmed that there were no deduction for violations. The factory confirmed that these amendments were communicated to line supervisors and in turn, the workers.	A copy of the revised factory rules and regulations for this section is included in the PC's internal file.
<b>5. Nondiscrimination</b>										
<b>6. Health and Safety</b>										
Fire Safety: Fire extinguisher	FLA Code Benchmark V. Health and Safety: 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.	Two fire extinguishers in the 2/F packing workshop of the 4-story production building were blocked by cartons.			According to the factory's confirmation dated Sept 4, 2002, the cartons blocking the 2 fire extinguishers in the 2/F packing workshop of the 4-storey production building were removed. These 2 fire extinguishers becomes unobstructed. In addition, the factory has appointed a person to walk through the factory and inspect health and safety items on a regular basis.	Participating Company will confirm that these actions were taken.		Ensure clear access to all fire extinguishers.	The factory confirmed that the corrective actions were taken on August 30, 2002. Liz Claiborne, (the PC) visited the factory on November 11, 2002 and confirmed that all fire extinguishers are unobstructed. Effective January 1, 2003, a person responsible for factory health and safety will inspect the factory weekly, completing a checklist which was created for this purpose.	Photographs confirming corrective actions are included in PC's internal file. The PC will obtain a copy of the checklist for the internal file.
Exits	FLA Code Benchmark V. Health and Safety: 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.	The stairwell from 2/F to G/F in the 4-story production building was blocked by packing materials.			According to the factory's confirmation dated Sept 4, 2002, the packing materials blocking the stairwell from G/F to 2/F in the 4-storey production building was removed. The stairwell becomes unobstructed.	Participating Company will confirm that these actions were taken.		Ensure all stairwells are clear and safe.	The factory confirmed that the corrective actions were taken on August 30, 2002. The PC visited the factory on November 11, 2002 and confirmed that all stairwells are unobstructed.	Photographs confirming corrective actions are included in PC's internal file.
Exit Signs	FLA Code Benchmark V. Health and Safety: 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.	Neither exit sign nor evacuation plan was posted in the embroidery workshop.			According to the factory's confirmation dated Aug 6, 2002, the factory has posted the exit sign and evacuation plan at the embroidery workshop.	Participating Company will confirm that these actions were taken.		Post exit sign and evacuation plan in the embroidery workshop.	The factory confirmed that the corrective actions were taken on August 30, 2002. The PC visited the factory on November 11, 2002 and confirmed that the exit sign was installed and the evacuation plan is posted.	Photographs confirming corrective actions are included in PC's internal file.

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Emergency lighting	FLA Code Benchmark V. Health and Safety: 1) 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. 2) 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.	No emergency light was installed in the embroidery workshop.			According to the factory's confirmation dated Aug 6, 2002, the factory has installed the emergency lighting at the embroidery workshop.	Participating Company will confirm that these actions were taken.		Install emergency lighting in the embroidery workshop.	The factory confirmed that the corrective actions were taken on August 30, 2002. The PC visited the factory on November 11, 2002 and confirmed that the emergency lighting is installed.	Photographs confirming corrective actions are included in PC's internal file.
Chemical Management	FLA Code Benchmark V. Health and Safety: 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.	Per Audit Instrument (section 4K.26 and 7H.1) that there is no Material Safety Data Sheet (MSDS) or their equivalent.						Implement the use of MSDS where chemicals are used.	The factory confirmed that MSDS were being used effective January 1, 2003. The PC will confirm during the next follow up visit in March 2003.	PC will obtain a copy of the MSDS during the next visit.
Sanitation	FLA Code Benchmark V. Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Per Audit Instrument (Sections 7J.8-10) to factory does not provide soap, toilet paper, or paper towels.						Provide soap, toilet papers and towels in the washroom.	The factory confirmed that soap, toilet paper and towels are being supplied in the wash rooms as of January 1, 2003. The PC will confirm this practice during the next visit in March 2003.	
<b>7. Freedom of Association and Collective Bargaining</b>										
<b>8. Wages and Benefits</b>										
Lack of legal benefits	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: Legally mandated benefits will be provided or paid in full within legally defined time periods.	Only 824 out of 1157 employees had participated in retirement, illness, maternity and work-related injury or occupational disease insurances, only 797 out of 1157 employees had participated in unemployment insurance.			This is still an outstanding issue. We are now following up with the factory.			(1)Ensure that the factory is providing all legally mandated insurances. (2)The PC is investigating to confirm that the difference in the total payroll and workers' eligible for insurance is due to the retired workers being paid a pension.	(1)The factory confirmed that effective September 30, 2002, all employees have participated in retirement, unemployment, illness, maternity and work-related injury or occupational disease insurances. (2) On November 11, 2002, the PC reviewed the social insurance receipt for the month of September 2002 and confirmed that total workforce of 793 employees are participating these 5 types of insurance.	
Sick leave	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: Legally mandated benefits will be provided or paid in full within legally defined time periods.	Sick leave was not paid in this factory.			According to the factory's confirmation dated Aug 12, 2002, the workers are now entitled to sick leave with pay.	Participating Company will confirm that these actions were taken.		Ensure that workers are receiving legally mandated sick leave benefits and ensure that this policy is communicated to the workers.	Effective August 30, 2002, the factory provided sick leave with pay to workers. The PC visited the factory on November 11, 2002 and reviewed the payroll records for the month of September 2002 confirming payment of minimum wage for sick leave. Workers interviews also confirmed receipt of wages for sick leave. A revision still needs to be made to reflect this change in policy in the staff handbook. The PC will continue to follow up on this.	PC will obtain a copy of Sept. payroll confirming payment of sick leave and obtain a copy of revised workers' manual when available.

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Workers unclear of wages and benefits	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 1) 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. 2) Accurate and reliable payroll reporting, including pay stubs will be provided.	No pay stub was provided to the workers when they got payment.			According to the factory's confirmation dated Aug 12, 2002, the factory has provided the workers with the pay slip showing their salary breakdown.	Participating Company will confirm that these actions were taken.		(1)Provide information to workers at the time when they are paid which will enable them to clearly understand the calculations of their earnings and deductions. (2)The PC will review the revised pay stub to ensure the information is adequate.	(1)The factory confirmed that effective August 30, 2002, it provided pay stubs to workers showing a breakdown of their earnings. The PC visited the factory on November 11, 2002 and interviewed [ ] workers and noted that they fully understood the information stated on the pay stub. (2)The PC reviewed the pay stub and suggested that the OT hours and OT premium be segregated from the normal working hours and normal wages respectively.	A sample pay stub is included in the PC's file.
<b>9. Hours of Work</b>										
Lack of one day off in seven	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: Except in extraordinary business circumstances, employees will (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.	The workers had not received one rest day in every seven-day period.			According to the factory's confirmation dated Aug 12, 2002, the factory guaranteed that the workers are entitled to one day off in a week.	Participating Company will need to review the time card on a quarterly basis to ensure that the corrective actions be properly taken. We are required to ensure the OT is on voluntary basis.		Ensure that workers have one day off per week.	The factory confirmed that effective August 30, 2002, workers were receiving one day off per week. The PC visited the factory on November 11, 2002 and reviewed manual records and interviewed workers confirming compliance to this standard. The factory is now using a scanning time recording system. The PC will continue to monitor adherence to this standard. The next audit will be in March 2003.	A copy of the manual attendance record is included in the PC's internal file.
Excessive Hours	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: 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.	Overtimes hours up to 40 hours in January 2002 and 64 hours in May 2002 which exceeded the limitation of 36 hours per month.			According to the factory's confirmation dated Aug 12, 2002, the factory has obtained written consent from local labor bureau to extend the overtime and adopt the comprehensive working hours system.	Participating Company will confirm that these actions were taken. We are required to examine the exemption letter issued by the local labor bureau.		Overtime should not exceed the limitation of 36 hours per month. The PC will conduct a follow up audit to review the electronic attendance records as well as the working hour / overtime analysis.	On November 11, 2002, the PC reviewed the factory's manual payroll records for the period from June to October 2002. The PC noted that overtime hours were up to 43 hours in September 2002. Overtime for other months sampled are within the limitation of 36 hours. The PC is encouraged with the improvement and will continue to monitor compliance to this standard.	
<b>10. Overtime Compensation</b>										

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Incorrect wage rate for OT	FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation: The factory shall comply with applicable law for premium rates for overtime compensation.	The overtime wages were paid 100% of normal rate for overtime on rest days and public holidays in the embroidery workshop.			According to the factory's confirmation dated Sept 4, 2002, the workers in the embroidery workshop are entitled to the overtime premium (150%, 200% & 300% on normal rate), as stipulated by law.	Participating Company will confirm that these actions were taken.		The wage rate for overtime should be in accordance with the local labor regulations.	Effective August 30, 2002, the factory has been operating three shifts in the embroidery department. Therefore, embroidery workers are working only eight hours per day. The PC visited the factory on November 11, 2002 and confirmed the three-shift system by reviewing manual payroll records. The PC will continue to include a review of the embroidery department's payment of wages and hours of work by reviewing records and interviewing workers.	PC will maintain copies of the payroll information in the internal file.