

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]", etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

| FLA Audit Profile | |
|-------------------------|---|
| Country | Philippines |
| Factory name | 10025958B |
| IEM | BV-CPS Phils. - SA |
| Date of audit | June 24-25, 2003 |
| PC(s) | Phillips-Van Heusen Corporation, Liz Claiborne Inc. |
| Number of workers | 675 |
| Product(s) | Pants, Shorts, Jacket, Skirt |
| Production processes | Cutting, Sewing, Finishing and Packing |
| Other brands in factory | |

| FLA Code/ Compliance issue | Findings | | | | Remediation | | |
|------------------------------------|---|--|-------------------|---------------|--|---|--|
| | Benchmark or legal reference | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Completion Date | Documentation |
| 1. Code Awareness | | | | | | | |
| Code posting | FLA Principles of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards through the postings 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 PC COC posted at the cutting and sample area. | Visual Inspection | | The COC should be posted in the cutting and sample area in addition to the other areas where it is already posted. | The factory confirmed that the corrective actions were taken on August 8, 2003. The PVH auditor confirmed this on October 27, 2003. | Photographs confirming corrective actions will be maintained in the PC's internal file. |
| Non-compliance reporting mechanism | FLA Principles of Monitoring, Obligation of Companies: Develop a secure communication 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 non compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so. | PC did not have a non-compliance reporting mechanism in place | Visual Inspection | | The PC should establish a non-compliance reporting mechanism for workers to report complaints and violations. The PC should add a paragraph on the bottom of the COC stating that workers may report non-compliance issues to PC's local office. | The PVH auditor confirmed a revised COC which included contact information was posted during visit on October 27, 2003. | A copy of the revised COC will be kept in the PC's internal file. |
| 2. Forced Labor | | | | | | | |
| 3. Child Labor | | | | | | | |
| 4. Harassment or Abuse | | | | | | | |
| 5. Nondiscrimination | | | | | | | |
| 6. Health and Safety | | | | | | | |
| Fire Safety | FLA Benchmark, Health and Safety: 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 inspection record was kept for all the fire extinguisher. | Visual Inspection | | All fire extinguishers should be periodically inspected and the records of inspection have to be properly updated. | This corrective action was not completed at the time of the last PC inspection. PC recommends this correction be made immediately. | A copy of the inspection record will be kept in PC's internal file. |
| Emergency Preparedness | FLA Benchmark, Health and Safety: All recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with. | Aisles at cutting area were blocked by metal racks of cut fabrics. | Visual Inspection | | All aisles/exits at cutting area should be unblocked. | The factory confirmed that starting from August 22, 2003, the aisles at the cutting room were properly marked and kept clear. The PVH auditor confirmed this improvement on October 27, 2003. | Photographs confirming corrective actions will be kept in the PC's internal file. |
| Emergency Preparedness | FLA Benchmark, Health and Safety: Lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility. | No emergency lighting placed at the exit of cutting area. | Visual Inspection | | Emergency lighting should be placed at the exit of cutting area. | The factory confirmed that the emergency lighting was installed at the exit of cutting area on August 22, 2003. The PVH auditor confirmed this improvement on October 27, 2003. | Photographs confirming corrective actions will be maintained in the PC's internal file. |
| Emergency Preparedness | FLA Benchmark, Health and Safety: Lanes or other markings shall be placed in areas to be kept clear at all times during working hours. | No yellow lane was provided for aisles at the finishing and packing area. | Visual Inspection | | Yellow lane should be provided for aisles at the finishing and packing area. | The factory confirmed that the walkways at the finishing and packing area were marked in yellow line on July 22, 2003. The PVH auditor confirmed this improvement on October 27, 2003. | Photographs confirming corrective actions will be maintained in the PC's internal file. |
| Chemical management | FLA Benchmark, Health and Safety: All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. | No Material Safety Data Sheets available for the ink remover and stain remover present in the factory. | Visual Inspection | | Material Safety Data Sheets (MSDS) have to be available for the ink remover and stain remover. MSDS should be posted at the locations where the removers are used. | This corrective action was not completed at the time of the last PC inspection. PC recommends this correction be made immediately. | Photographs confirming corrective actions and a copy of the MSDS will be kept in the PC's internal file. |
| Chemical management | FLA Benchmark, Health and Safety: All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. | Ink remover and stain remover were stored far from the working areas but were not clearly marked. | Visual Inspection | | Ink remover and stain remover should be properly labeled and stored. | This corrective action was not completed at the time of the last PC inspection. PC recommends this correction be made immediately. | Photographs confirming corrective actions will be maintained in the PC's internal file. |

| FLA Code/ Compliance issue | Findings | | | | Remediation | | |
|--|---|--|---|---------------|--|--|---|
| | Benchmark or legal reference | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Completion Date | Documentation |
| First Aid | FLA Benchmark, Health and Safety: 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. | Incomplete first aid kits were found at the buttons and rivets area. | Visual Inspection | | First aid kits at the button and rivet section should be regularly replenished. | It was noted that eyewash was still not available at the time of the last PC visit. | Photographs confirming corrective actions will be maintained in the PC's internal file. |
| 7. Freedom of Association and Collective Bargaining | | | | | | | |
| 8. Wages and Benefits | | | | | | | |
| Time Cards | Time cards should be completed at the start and end of breaks. | Recommendation: Time cards are completed at the beginning and end of the work shift but not at the start and end of breaks. | | | As it will take considerable time for workers to clock in and out during breaks, the PC believes that it is not compulsory to do so. PC recommends that power be turned off during breaks to prevent working at these times. | PVH auditor noted that a few piece workers were still working through break. PC requests recommendation to turn off power be implemented immediately. | Results of the workers' interviews will be kept in the PC's internal file. |
| Employment Contracts | FLA Benchmark, Wages and Benefits: All records should contain a copy of the employment contract. | Two of the 25 records reviewed did not contain an employment contract. | | | The factory should thoroughly review all its employment files and ensure that there is a labor contract for every worker. | PVH auditor found there were still a few contracts missing information. PC's recommend correcting the remaining files immediately. | |
| 9. Hours of Work | | | | | | | |
| Lack of one day off in seven | FLA Benchmark, Hours of Work: Except in extraordinary business circumstances, employees will be entitled to at least one day off on every seven day period. According to Article 91 of the Labor Code of the Philippines, employees shall be provided with a rest period of not less than twenty-four (24) consecutive hours after every six(6) consecutive normal days. | For peak production month of May 2003, 5 of the 25 workers worked on a rest day (1 worker worked on 4 rest days, 1 worker worked on 3 rest days, 2 workers worked on 2 rest days and the remaining 1 worker worked on 1 rest day). | Time records, worker interviews, management interview | | The factory has to work out a detailed plan to reduce overtime on a progressive basis. One of the goals is to ensure that workers could have a day off in a week. Another one is to establish internal controls to ensure that no workers should be working excessively during peak seasons. The factory is also required to make sure that overtime must be on a voluntary basis. | The PC will visit the factory to perform the following : (a) To review the plan drawn up by the factory, and the corresponding improvements. (b) To review if controls are properly in place to monitor the overtime on a weekly basis, and keep it in check. (c) To interview workers to confirm that overtime is on a voluntary basis. | A copy of the aforesaid plan will be kept in PC's internal file. |
| Over 60 hours of work per week | FLA Benchmark, Hours of Work: Except in extraordinary business circumstances, employees will not be required to work more than 48 hours per week and 12 hours overtime. | For peak production month of May 2003, 7 of the 25 workers worker over 60 hours in a week (from a low of 63 hours to a high of 81 hours per week). | Time records, worker interviews, management interview | | The factory has to work out a detailed plan to reduce overtime on a progressive basis. One of the goals is to ensure that workers could have a day off in a week. Another one is to establish internal controls to ensure that no workers should be working excessively during peak seasons. The factory is also required to make sure that overtime must be on a voluntary basis. | The PC will visit the factory to review the overtime plan which should include three points in the remediation plan and confirm compliance by December 31, 2003. | A copy of the aforesaid plan will be kept in PC's internal file. |
| 10. Overtime Compensation | | | | | | | |
| Other | | | | | PC recommends that a person be appointed to be responsible for health and safety or a health and safety committee be established. | PC recommends appointment to take place immediately | |