

FLA Audit Profile		Company's Note: This factory is inactive for Liz Claiborne as of 7/3/2007. It mainly produced garments for one of Liz Claiborne, Inc.'s divisions and there was a substantial drop of sales for that division in 2007. Hence, no further allocation was made and Liz decided to drop the factory.
Country	China	
Factory name	050015434E	
IEM	ALGI	
Date(s) in facility	October 11-13, 2006	
PC(s)	Liz Claiborne, Inc.	
Number of workers	913	
Product(s)	Suits, Uniforms	
Production processes	Designing, Sample Making, Cutting, Sewing, Finishing, Packing	

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				[Status]	Updates (Cite Date of Follow Up)			
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation	Notable Features	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (Cite Date)		Documentation	Completed, Pending, Ongoing	Company Follow Up	Documentation
1. Code Awareness																	
2. Forced Labor																	
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																	
3. Child Labor																	
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.																	
Legal Compliance for Juvenile Workers	Art. 65 of PRC Labor Law (Chapter 7): Employer shall carry out regular physical examinations for underage workers. Regulations for Special Protection of Underage Workers, Art. 6: Employer shall carry out regular physical examinations for underage workers as required by the following: a) before arrangement of working positions; b) working for 1 year; c) an employee just over 18 shall take physical examination if it has been more than 6 months since last physical examination.	Employers will comply with applicable laws that apply to young workers, i.e., those between minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.	Physical examination form used for juvenile workers does not meet legal requirements.					management interview, documentation review		Factory should arrange medical checkup for juvenile workers and ensure that clinic adopts form which meets legal regulations.	Factory confirmed that corrective actions had taken place 11/15/2006.	Factory agreed to arrange medical check ups for juvenile workers and ensure that clinic adopts form which meets legal regulations.			Completed	PC visited factory 4/12/2007 and observed that the factory had taken corrective actions properly. The factory provided health check records April 12, 2007 and noted that health checks provided to the juvenile workers.	health check records
4. Harassment or Abuse																	
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.																	
5. Nondiscrimination																	
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.																	
6. Health and Safety																	
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.																	
Evacuation Procedure	Art. 5.3.13 Factory Safety of Building Design Regulation (GBJ16-87): Width of passages for evacuation and staircases should be at least 1.1m.	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.	Aisles for workers seated close to the wall were narrow and blocked with production materials.					visual inspection, management interview		Factory should rearrange machinery to ensure the aisles are free from obstacles. Factory will designate a person responsible for monitoring all health and safety issues so as to minimize the workplace hazards.	Factory confirmed that corrective actions had taken place 10/14/2006.	Factory agreed to rearrange machinery to keep production areas free from obstacles. Besides, factory agreed to assign a person responsible for monitoring all health and safety issues, so as to minimize the workplace hazards.			Completed	PC visited factory 4/12/2007 and observed that the factory had not taken corrective actions properly. Aisles for workers seated close to wall still blocked with production materials. Per supporting records sent by factory 9/18/2007, aisles unblocked and without obstacles.	Photos
Machinery Maintenance	Art. 32 Factory Safety Regulations: Hazardous parts like conveyor belt, gear, abrasive wheel, flywheel, sewing machine, etc., shall be equipped with protective devices.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Almost half of sewing machines missing pulley guards.					visual inspection, management interview		Factory should install belt pulley guards at all sewing machines.	Factory confirmed that corrective actions had taken place 11/15/2006. PC planned to visit factory in March 2007 to ensure all sewing machines are equipped with belt pulley guards and operated in a safety manner.	Factory agreed to install belt pulley guards on all sewing machines.			Completed	PC visited factory 4/12/2007 and observed that the factory had not taken corrective actions properly. Factory sent supporting on 10/18/2007 and noted that sewing machines were being installed with proper upper pulley guards.	Photos
Bathroom	Art. 29. Factory Safety Regulations: Working area should set hand wash equipment according to needs and provide soap.		Soap and toilet paper not available in restrooms.					visual inspection, management interview		Factory should provide soap and toilet paper in restrooms and ensure they are available at all times.	Factory confirmed that corrective actions had taken place 10/14/2006.	Factory agreed to provide soap and toilet paper in restroom and to check periodically to make sure they are refilled.			Completed	PC visited factory 4/12/2007 and observed that the factory had not taken corrective actions properly. Toilet paper still not available in female toilets. Factory sent us photos on 10/18/2007 and noted that toilet paper and soap are available in toilets.	Photos
7. Freedom of Association and Collective Bargaining																	
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																	
Freedom of Association: FLA Comment	<i>FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms. The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in</i>																
8. Wages and Benefits																	
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.																	
Time Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	Logistics employees (QC, gate keepers, cleaning staff, cafeteria workers) use manual attendance sheets which only record their attendance date, but not time they enter or leave factory.					documentation review, management interview		Factory should adopt time recording system to accurately record working hours of the logistics employees (QC, gate keepers, cleaning staff, cafeteria workers).	Factory confirmed that corrective actions had taken place 11/1/2006.	Factory agreed to use time card system to record all working hours for the logistics employees starting from November 2006.			Completed	PC visited factory 4/12/2007 and reviewed time attendance records that logistic employees (QC, gate keepers, cleaning staff and cafeteria workers) were properly punching time cards for attendance starting from November 2006.	employees' time records

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9. Hours of Work																
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.																
Legal Compliance with Protected Workers	Art. 61 of PRC Labor Law: It is prohibited to prolong working hours of female workers 7 months pregnant (or more) or to ask them to work night shifts.	Factory will comply with all applicable laws governing work hours, including those regulating or limiting nature and volume of work performed by women or workers under the age of 18.	One 7 months pregnant woman has been assigned to do overtime work.				documentation review; worker and management interviews		Factory should ensure that pregnant workers are taking sufficient rest and that they do not arrange overtime work for women with over 7 months pregnant.	Factory confirmed that corrective actions had taken place 10/14/2006.	Factory agreed to establish a policy on providing special protection for pregnant workers to ensure no overtime work or night work for workers with over 7 months pregnant. Such policy is properly addressed to all employees.			Completed	PC visited factory 4/12/2007; factory had not taken the proper corrective actions. Based on records provided and information from worker interviews, found that pregnant women at their 7 months were still required to work for OT. On 9/18/2007, supporting documents provided by factory for review; there was one 7 months pregnant woman and was taking maternity leave.	Leave records
10. Overtime Compensation																
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.																
OT Compensation	Art. 44.1 of PRC Labor Law states: Employer shall pay workers no less than 150% of their regular wages if they are required to work overtime.	Factory shall comply with applicable law for premium rates for overtime compensation.	Logistics employees (QC, gate keepers, cleaning staff, cafeteria workers) receive a flat rate salary each month without OT compensation.				documentation review; management interview		Factory should pay logistics employees (QC, gate keepers, cleaning staff, cafeteria workers) overtime compensation in accordance with local labor law.	Factory confirmed that corrective actions had taken place 11/24/2006. PC plans to visit factory in March 2007 to ascertain that factory pays overtime compensation to logistics employees pursuant to legal regulations.	Factory agreed to pay overtime compensation to logistics employees according to local regulations. Factory will pay (i) 150% of the regular wage on overtime hours on weekdays; (ii) 200% of regular wage on rest days (Saturday and Sunday); and (iii) 300% of regular wage on statutory holidays.			Completed	PC visited factory 4/12/2007; reviewed employees' payment records; noted that logistics employees (QC, gate keepers, cleaning staff and cafeteria workers) were properly receiving overtime premium pursuant to legal regulations.	Payment records
Miscellaneous																