

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 | Mexico |
| Factory Code | 05025048A |
| Independent External Monitor | ITS |
| Date of monitoring visit | 4/15/02 |
| Duration of IEM Evaluation | 3 days |
| Participating Compan(ies) | Levi Strauss & Co., Liz Claiborne, Inc. |
| Number of workers | 1129 |
| Product(s) | Jeans, casualwear |

| FLA Code | FLA Compliance Benchmark or Legal Reference | Findings | | Remediation | | |
|--|--|---|---------------|---|-----------------|---|
| | | Monitor's Findings | Best Practice | PC remediation plan | Completion Date | Follow-Up Documentation |
| 1. Code Awareness | | | | | | |
| Noncompliance reporting channel | FLA Obligations of Companies, F. Provide Employees with Opportunity to Report Noncompliance: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so. | Employees don't know exactly the system used for communicating complains. | | | | |
| 2. Child Labor | | | | | | |
| 3. Forced Labor | | | | | | |
| 4. Harassment or Abuse | | | | | | |
| No Harassment and Abuse policy | | Factory doesn't have a policy for harassment or abuse. They don't have written work rules developed either. | | <i>Factory should either include a Harassment & Abuse section in their internal policies or post this section of the law for worker's to view. Factory should also conduct supervisor training and ensure that abusive supervisors are disciplined. As of 8/12/02, the factory had established an anti-harassment and abuse policy. This was verified by LS&CO. assessors via documentation review.</i> | June 17th | <i>PC's will ensure that postings of the new policies. PC's will keep a copy of the revised policy in their internal files.</i> |
| 5. Nondiscrimination | | | | | | |
| 6. Health and Safety | | | | | | |
| No Health Policy | | Facility doesn't have a Health & Safety Policy. | | THIS POLICY HAS BEEN ELABORATED, w/ final approval from Chairman. <i>This policy was reviewed by LS&CO. assessors on 8/12/02.</i> | June 17th | <i>PC's will obtain copies for their internal files.</i> |
| Poor Record-Keeping | In accordance with Mexican Health & Safety Regulations article 126, Health & Safety Commission must to perform facility tours in order to verify health and safety conditions and must to keep this findings written. 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. | During the documents review we noted that Health and Safety inspections records were not updated. To be in compliance with Mexican Health & Safety Regulations, please ensure to keep this documents updated. | | THE DOCUMENTS ABOUT HEALTH AND SAFETY COMMISSION, IN THIS MOMENT ARE UPDATED. <i>This was verified on 8/12/02 by LS&CO. assessors via documentation review.</i> | June 17th | <i>PC's will obtain copies for their internal files.</i> |
| Up-Date H&S Anaylsis | In accordance with Mexican Health & Safety Regulations Article 101. Employer must to perform a Risk Analysis in order to decide what is the appropriate personal protective equipment in each work area. FLA Code Benchmark V. Health and Safety: 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. | During the documents review, we noted that risk analysis is incomplete. To be in compliance with Mexican Health & Safety Regulations Article 101, please keep this documentation complete and updated. | | THE RISK ANALYSIS IS COMPLETED WITH THE APPROPRIATE PERSONAL PROTECTIVE EQUIPMENT. <i>On 8/12/02 PC observed factory employees utilizing personal protective equipment.</i> | June 17th | <i>PC's will obtain copies of risk analysis for their internal files.</i> |
| Health and Safety Norms | FLA Benchmark V. Health and Safety: 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. | Health and Safety Norms kept in Facility are not updated. | | ALL THE OFFICIAL NORMS REFERENT TO HEALTH AND SAFETY ARE UPDATED. <i>LS&CO. assessors verified via visual observation on 8/12/02 that the facility maintains updated Health and Safety norms onsite.</i> | June 17th | <i>[LCI] will confirm by tomorrow and obtain a copy for our internal files.</i> |

| FLA Code | FLA Compliance Benchmark or Legal Reference | Findings | Best Practice | Remediation | | |
|-------------------------|--|---|---------------|---|--|---|
| | | | | PC remediation plan | Completion Date | Follow-Up Documentation |
| First Aid Kits | In accordance with the Mexican Labor Law, Article 132, paragraph XVII, the employer must provide the adequate first aid kits. FLA Code Benchmark V. 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. | We have noted during the factory tour that and employee interviews that First aid kits are incomplete including one placed in Medical service. To be in compliance with Mexican Labor Law, Article 132, paragraph XVII, please ensure to keep them complete at all times. | | ALL FIRST AID KITS ARE COMPLETED, NURSES ARE IN CHARGE THAT KITS MUST BE COMPLETED AT ALL TIME. LS&CO. assessors verified via visual observation that first aid kits were adequately stocked on 8/12/02. This was confirmed by PC again in January 2003. | June 17th | |
| Fire Drills | In accordance with the Health and Safety Regulations, Chapter II, Article 28, paragraph VI, fire drills should be conducted at least once a year. 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. | We have noted that the management does not encourage the practice of fire drills since March 2001. To be in compliance with the law, please ensure to perform at least one fire drill per year. | | <i>The factory will conduct fire drills at least once a year to comply to local law. LS&CO. assessors verified that a fire drill was conducted on June 24 via review of photographs.</i> | <i>The last fire drill was conducted on June 24.</i> | <i>Photographs are in PC's internal file.</i> |
| Toilet Sanitation | In accordance with Mexican Health and Safety regulation, Chapter XI, Article 103, employer is obligated to provide hygienic water systems, bathrooms, lavatories, shower etc, depending on the employees number. 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. | During employees interviews, some employees told us that bathrooms are not clean at all times. We also noted that in Plant 1 (washing machines area) one shower and one eye washer were out of order. To be in compliance with Mexican Health & Safety Regulations Chapter XI article 103, please keep bathrooms clean and with light at all times, also keep showers and eye washers in good conditions. | | <i>The factory will improve the conditions in the washrooms. LS&CO. assessors verified that factory had improved conditions in the washrooms via visual observation on 8/12/02. Washrooms were inspected by LCI in January 2003 and found to be satisfactory.</i> | June 17th | |
| Ergonomic Mats/Uniforms | In accordance with Health and Safety Regulation, Article 101, the employer should provide personal protective equipment to the employees and must perform an analysis to determine what kind of risk are the employees exposed. FLA Code Benchmark V. Health and Safety: 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. | During the factory tour we noted that employees in inspection areas don't have ergonomic mats, and during the employees interviews, employees told us that they need new uniforms. To be in compliance with Health and Safety Regulations, Article 101, please provide all personal protective equipment to employees. | | <i>Ergonomic Mats and Uniforms should be provided to workers. LS&CO. assessors verified via visual observation on 8/12/02 that mats and uniforms are provided to workers. LCI confirmed that workers have uniforms and mats are used during the January 2003 visit.</i> | June 17th | <i>Photographs are in PC's internal file.</i> |
| Fire Safety Training | In accordance to the Health and Safety Norm NOM-002-STPS-2000, point 5.2 and 5.8, the employer is responsible to inform all the employees the risks of fire and train them in the fire fight and prevention. 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. | During the employee's interviews it was noted that the employees had not been informed and trained of the measures to prevent and fight fires. To be in compliance with NOM-002-STPS, please make sure to instruct the employees on the measures to prevent and fight fire. | | <i>A fire training program which included information on how to prevent fires and how to use a fire extinguisher was conducted. This was verified by LS&CO. assessors via worker interviews on 8/12/02. In partnership with the city, the factory conducted the training.</i> | July 30th | |
| Fire Extinguishers | In accordance with Mexican NOM 002-STPS-2000, point 11.1.2 (e) and 11.1.3, fire extinguishers manometers must indicate a reading in the operation range. FLA Code Benchmark V. 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. | During the factory tour we noted that fire extinguishers number #10 and # 29 fire extinguishers were discharged in production area. To be in compliance with the law, please ensure to maintain all the fire extinguishers charged at all times. | | <i>Fire extinguishers are now checked on a monthly basis. This was verified by LS&CO. assessors via visual observation on 8/12/02. Verified during LCI factory visit in January 2003, it was confirmed that fire extinguishers were in working order.</i> | Ongoing | |

| FLA Code | Findings | | | Remediation | | |
|--|--|---|---------------|--|-----------------|---|
| | FLA Compliance Benchmark or Legal Reference | Monitor's Findings | Best Practice | PC remediation plan | Completion Date | Follow-Up Documentation |
| | <p>In accordance with the Mexican Health and Safety Norm NOM-002-STPS-2000, point 9.3 the number of extinguishers should be:</p> <p>1 portable extinguisher per 200 m2 and a fix equipment in addition with the extinguishers for high fire risk areas.</p> <p>1 portable extinguisher per 300 m2 for medium fire risk areas.</p> <p>1 portable extinguisher in every working area in accordance with the fire characteristics for low fire risk areas. FLA Code Benchmark V. 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.</p> | <p>During the factory tour we have noted that one fire extinguisher is missing in warehouse. To be in compliance with NOM- 002-STPS-2000, please make sure to install one fire extinguisher in warehouse, also in "Avios" area there is no fire extinguisher in place marked.</p> | | <p><i>The fire extinguisher was installed. This was verified by LS&CO. assessors via visual observation on 8/12/02.</i></p> | Ongoing | <p><i>Photographs confirming the corrective actions are in PC's internal file.</i></p> |
| | <p>In accordance with Mexican NOM 002-STPS-2000, point 9.2.3 line (e) fire extinguishers must be signaled. FLA Code Benchmark V. 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.</p> | <p>During the facility tour we noted that extinguisher #20 is not marked. To be in compliance with NOM 002-STPS-2000, please put signals to all fire extinguishers.</p> | | <p><i>Fire extinguishers were marked. Verified by LS&CO. assessors on 8/12/02 via visual observation. PC confirmed this during the January 2003 visit.</i></p> | June 20th | <p><i>Photographs confirming the corrective actions are in PC's internal file.</i></p> |
| Blocked Aisles | <p>In accordance with the Health and Safety Norm NOM-002-STPS-2000, point 9.1.4, line (b), the evacuation routes must be free from obstruction. 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.</p> | <p>During the facility tour it we noted that one aisle was blocked with cardboard boxes in production area. To be in compliance with the law, please ensure to keep aisles unblocked at all time.</p> | | <p><i>Workers were instructed that aisles need to be clear. All aisles were cleared. LS&CO. assessors verified that aisles were clear on 8/12/02 via visual observation. PC confirmed during January 2003 visit.</i></p> | June 17th | |
| Handrail Installation | <p>In accordance with Mexican Norm NOM-001-STPS-1999, uncover sides of the stairs must have a handrail with a high of 90 cm +/- 10 cm. 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.</p> | <p>During the factory tour we noted that in second floor ("Avios" area) the movable handrail was out of correct place. To be in compliance with NOM-001-STPS-1999, please ensure to install handrail in the correct place in order to cover that side.</p> | | <p><i>Handrail was installed. Verified by LS&CO. on 8/12/02 via visual observation.</i></p> | June 17th | <p><i>Photographs confirming the corrective actions are in PC's internal file.</i></p> |
| MSDS | <p>In accordance with Mexican Health & Safety Regulations, article 82. If chemicals are used in workplace, employer is responsible to take actions in order to prevent accidents. 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.</p> | <p>During the facility tour we noted that there were MSDS (Safety Data Sheets) are not in the local language. To be in compliance with Mexican Health & Safety Regulations, please ensure to keep Safety Data sheets in the local language.</p> | | <p><i>Safety sheets are now being used on a regular basis. LS&CO. assessors verified via documentation review that MSDS are provided in both Spanish and English. LCI also confirmed usage during January 2003 visit.</i></p> | June 17th | |
| 7. Freedom of Association and Collective Bargaining | | | | | | |
| 8. Wages and Benefits | | | | | | |
| 9. Hours of Work | | | | | | |
| Forced OT | <p>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. The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations.</p> | <p>Facility doesn't have a written procedure to ensure overtime is voluntary. And during the employee interviews there were comments that sometimes they feel obligated by supervisor.</p> | | <p><i>A policy has been established and the human resources dept. has communicated this to workers. New workers are also advised at time of hire. LS&CO. assessors reviewed the policy and related training documents on 8/12/02. "Voluntary sign up sheets" are now being used.</i></p> | June 30th | <p><i>A copy of the training outline will be obtained by the PC's and kept in their internal files.</i></p> |
| 10. Overtime Compensation | | | | | | |

| FLA Code | Findings | | Best Practice | Remediation | | |
|----------------------------|--|---|---------------|---|-----------------|---|
| | FLA Compliance Benchmark or Legal Reference | Monitor's Findings | | PC remediation plan | Completion Date | Follow-Up Documentation |
| 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. Workers shall be informed about overtime compensation rates, by oral and printed means. | A number of workers interview indicated that they did not understand OT wage calculation, and/or that OT compensation was not in compliance with Mexican labor law. | | <i>The factory provides a paystub when workers are paid showing the calculations of wages, overtime and deductions. Workers are allowed to review and question the accounting department.</i> | | <i>PC's will follow up by interviewing workers to ensure wage calculations are now clear.</i> |