

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 Monitoring Visit Profile | |
|------------------------------|-----------------------|
| Country | Vietnam |
| Factory name | 05008465C |
| IEM | SGS Vietnam |
| Date of audit | September 19-22, 2004 |
| Days in the facility | 4 |
| PC(s) | Liz Claiborne, Inc. |
| Number of workers | 2,600 |
| Product(s) | Apparel -Woven |
| Production processes | Cut - Sew |

| | | Findings | | | | | Remediation | | | |
|---|---------------------------------------|--|--|--|---------------|---|---|--|--------------|-----------------|
| FLA Code/ Compliance issue | Legal Reference | FLA Benchmark | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Target Completion Date | Factory Response | PC 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. | | | | | | | | | | |
| 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 or 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 | | | | | | | | | | |
| Document Maintenance/ Accessibility | | 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 | MSDS of the chemicals labeled as "XANG THOM" which was being used by the workers working at Cleaning Room was not available at the Safety Team Office also at work places. | Visual Inspection and worker interview | | The factory should post the Material Safety Data Sheet (MSDS) of the chemicals labeled as "XANG THOM" at the Cleaning Room of the Safety Team Office. The factory should also ensure that MSDS be available in local language or language spoken by majority of the workers if it is different from the local | The factory confirmed that they no longer used this kind of chemical since October 26, 2004. The PC plans to visit the factory in May, 2005 to ensure that factory does not use the prescribed chemicals. | The factory agreed not to use "XANG THOM", and it has been replaced by Acetone and Rustgo. The MSDS of Acetone and Rustgo will be posted accordingly. | | Photos attached |
| Ventilation/Electrical/facility maintenance | Clause No. 97 of Vietnamese Labor Law | 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. | According to the Inspection Result Report on Working Environment , there are some samples of ventilation and lighting detected as out of Vietnamese standard, but there is no evidence that the factory has planned Corrective Action. | Reviewed the document named Results of Measurement and Inspection of Working Environment issued by Center of Health - Labor and Environment of Ho Chi Minh City Department of Health on 1 / 4 / 2004 | | The factory should ensure that all ventilation, plumbing, electrical, and lighting services be provided and maintained to conform to applicable laws. | The factory confirmed that the corrective actions had been taken on December 1, 2004. The PC plans to visit the factory in May, 2005 to verify the corrective actions. | The factory agreed to enhance the ventilation and lighting systems in order to meet the legal standards. Around 20 exhausting fans and a cooling system have been installed at each production floor. The lighting system has already been upgraded. | | Photos attached |
| 7. Freedom of Association and Collective Bargaining | | | | | | | | | | |
| Employers will recognize and respect the right of employees to freedom of association and collective bargaining | | | | | | | | | | |

| FLA Code/ Compliance issue | Findings | | | | | Remediation | | | | |
|---|---|--|---|---------------|---------------|---|--|---|---|---------------|
| | Legal Reference | FLA Benchmark | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Target Completion Date | Factory Response | PC follow up | Documentation |
| Compliance to local collective bargaining laws | The company must have the Collective Bargaining Agreement between management and worker representative. The joint management - worker committee must be established. | Employers will comply with all national and local laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers. | The management refused to sign the Collective Bargaining Agreement . The management refused to establish the join management - worker committee. | | | The factory should sign the Collective Bargaining Agreement with the worker's representatives. The IEM confirmed that it is not legally mandatory to set up the joint management-workers committee. | The factory confirmed that the corrective actions had been taken on March 30, 2005. The PC plans to visit the factory in May, 2005 to ensure that the Collective Bargaining Agreement has been signed. | The factory is receptive to sign the Collective Bargaining Agreement. | After further inquiry, it was noted that the union representatives of the factory were appointed by the factory, and they are also paid by the factory. Liz representatives inquired regularly however we were unsuccessful in implementing this change and no longer | |
| 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 | | | | | | | | | | |

| FLA Code/ Compliance issue | Findings | | | | | Remediation | | | | |
|--|---------------------------------|--|--|--|---------------|---|--|---|--------------|---------------|
| | Legal Reference | FLA Benchmark | Monitor's Findings | Documentation | Best Practice | PC remediation plan | Target Completion Date | Factory Response | PC follow up | Documentation |
| 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 | | | | | | | | | | |
| Overtime Limitations | Clause 69 of Vietnam Labour Law | 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 | The overtime working hours is usually over 12 hours/ week (the worker must work O.T 3 - 4 hours/day). Sometime, the worker was required to work overtime in weekend (O.T. is voluntary).D141 | Pay roll, working hour recoding system, wage slip. | | The factory should make sure that the employees do not work more than 60 hours a week under normal circumstances. | The factory confirmed that the corrective actions had been taken on March 30, 2005. The PC plans to visit the factory in May, 2005 to ensure that the employees work below 60 hours a week under normal circumstances. | The factory agreed to ensure that the employees would not work more than 60 hours in a week under normal circumstances. A new mechanism is in place to monitor the overtime. The person, who is in charge of the production schedule, will monitor the factory load. And, he is required to provide an early alert to the Production Manager and Human Resources Manager when he foresees that the overtime is going to exceed 60 hours a week. | | |
| 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. | | | | | | | | | | |