

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	Sri Lanka
Factory name	080270403E
IEM	Bureau Veritas
Date(s) in facility	October 20 & 21, 2006
PC(s)	Liz Claiborne, Inc.; Nordstrom, Inc.
Number of workers	742
Product(s)	Pants, shorts, skirts, nightwear, etc
Production processes	Cutting, Sewing, Finishing, Packing

Nordstrom now has regretfully ceased efforts due to the termination of business relationships between the factory and Nordstrom. Due to the termination of business relationships, the company's leverage for implementing remediation has diminished completely. For further comment, please contact Nordstrom directly.

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings			PC Remediation plan	Remediation		Updates (Cite Date of Follow up)	
					Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating		Notable Features Implemented by Factory Management or Company	Target Completion Date	Factory Response (Optional)	Company Follow up (Date: 3/27/2007)
1. Code Awareness												
Workers/management awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting 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.	Both Nordstrom's and LCI's COC are posted in the factory. The HR manager is aware of the COC but the workers do not know about the COC of the brands.	Not all managers are aware of the all elements of COC and some of the policies and procedures. For the workers the orientation program does not cover all elements of the COC. The topics covered are overview of the factory, management, in an emergency how it can solve the problem (grievance procedures), wages and benefits, leave. Although the handbook contains the COC, the counselor is not going through the hand book in detail with the workers.			Workers' interviews, management interviews	The factory should undertake efforts to educate employees about the Code on a regular basis.	The factory confirmed that the corrective actions had been taken on 12/1/2006.	The factory agreed to educate all employees about the Code of Conduct once a year. The orientation program including the Code training is organized for new employees.	The PC visited the factory on 3/27/2007 and noted that factory had conducted an awareness program for all employees on 3/27/2007 and explained Liz's Code of Conduct in details to employees. The Group Facility Manager, ""Name"", is responsible for conducting this program. In addition, factory also included an awareness training into the Orientation program for all newly hired employees. The Human Resources Manager, ""Name"", is in charge of this program.	Training records and photos.
Confidential non-compliance reporting channel		FLA Principle of Monitoring, Obligation of Companies: 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.	Neither Nordstrom nor LCI has a Non compliance reporting mechanism in the factory.				Workers' interviews, management interviews. Review of the COC posted in the factory	The factory should post both Liz and Nordstrom Code of Conduct containing the contact information of local office at the prominent areas of facility and undertake efforts to educate employees about the Code on a regular basis.	The factory confirmed that the corrective actions had been taken on 12/1/2006.	The factory agreed to post the Code of Conduct containing the confidential noncompliance reporting channel on the notice boards. The factory will address the Code together with the contact information to all employees once a year.	The PC visited the factory on 3/27/2007 and observed that Liz's Code with contact details was posted in the notice boards and the Human Resources Manager, ""Name"", is responsible for handling this task.	Photos
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												
Other - Policy on Forced Labor				The factory does not engage with any forced labor, however there is a lack of Forced Labor Policy in the factory			Management interviews and documentation review process	The factory should establish a policy of Forced Labor.	The factory confirmed that the corrective actions had been taken on 11/15/2006.	The factory agreed to set up a policy of Forced Labor, and post it on the bulletin boards.	The PC visited the factory on 3/27/2007 and noted that the Forced Labor Policy was established and added into the employees handbook. Such policy is also posted at the notice boards. The Human Resources Manager, ""Name"", is responsible for handling this task.	Forced Labor policy and photos
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.												
Other - Policy on Child Labor				The factory does not engage workers less than 18 years in their factory. There is a lack of written policy for this benchmark			Management interviews and documentation review process	The factory should set up a recruitment policy stating that factory would hire employees over 18-years-old.	The factory confirmed that the corrective actions had been taken on 11/15/2006.	The factory agreed to set up a recruitment policy stating that factory would hire employees over 18-years-old.	The PC visited the factory on 3/27/2007 and confirmed that a written policy on not engaging workers less than 18 years was set up. Such policy was added into the employees handbook and posted at the notice boards. The Human Resources Manager, ""Name"" is responsible for handling this task.	Employees handbook and photos
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.												
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance			A memo of Late deductions (Deductions made in the salary if the worker arrived late in the factory, which are based on a minute by minute account. It is legal by Sri Lankan law where max 3 percent of the salary can be cut due any reason including late arrival) was posted on the notice board and included in the worker handbook. However the documentation (Payrolls) review did not reveal any deduction made in the final salary. There is no progressive system of verbal warnings for late arrival and the resorting to deductions.	As there were no deduction shown in the payroll for late coming and as no cut deduction on late according to interviewed employees.		The factory should adopt progressive disciplinary system of verbal warnings for late arrival and the resorting to deductions. Such system should be communicated to all employees properly.	The factory confirmed that the corrective actions had been taken on 1/31/2007.	The factory agreed to establish progressive disciplinary system and would be communicated to all employees properly.	The PC visited the factory on 3/27/2007 and noted that factory has established progressive disciplinary system. Factory also addressed such system to all employees and confirmed that they were aware of it. Auditors found that employees reported duty on time and reviewed payrolls of January 2007 without exceptions noted.	Employees interview and payroll records
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.												

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation			Updates (Cite Date of Follow up)		
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncorroborated)	If not corroborated explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company Follow up (Date: 3/27/2007)	Documentation	
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	In accordance with Section 6 of the Wages Board Ordinance of the Labor standards and Employment Relations manual of Board of Investment (march 2004)- Sri Lanka, the fire training certificate has to be obtained from a certified body, at least once in every 12 months period in accordance with the requirements of the Factories Ordinance of 1956, Sec. 41 (8), aisles shall be kept free from obstructions during working hours to allow rapid evacuation during an emergency. & According to Section 7 of the Wages Board Ordinance and Section 7.1 of the Labor standards and Employment Relations manual of Board of Investment (march 2004)- Sri Lanka To avoid over crowding in factories, a cubic space of 400 cu.ft. per person employed should be maintained in each and every room. Space over a height of 14 feet should not be taken into account in calculating the cubic space.	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, fire aad, and evacuation procedures	1) Two Workers who have been trained in fire fighting have not been retrained for the current year. On doing document review the fire fighting certificates of these two workers had expired and the factory had not arranged for new certificates. 2) Most of the aisles and some work stations were blocked by garment bins, railings, chairs, employees in the production floor due to over crowding. 3) Proper ventilation is not provided to the chemical, which is stored inside cupboard at the stores.	4 New recruits (1 month old) mentioned that they have not received any training on health and safety		Workers' interviews, document review and visual inspections		1) Factory should ensure that workers who have been trained in fire fighting are to be retrained once a year. Fire fighting certificates should be renewed accordingly. 2) Factory should ensure that all aisles and work stations remain unblocked at all times. 3) Factory should maintain well ventilation system at area where chemical is stored. 4) Factory should provide training on health and safety to all new recruits.	The factory confirmed that the corrective actions had been taken on 11/15/2006.	1) The factory agreed to provide workers training in fire fighting on yearly basis and arrange to renew the fire fighting certificates of workers accordingly. 2) The factory agreed to perform regular fire & safety inspection to ensure the aisles and work stations clear of obstacles. 3) The factory agreed to install ventilation equipments in chemical storage areas. 4) The factory agreed to organize an orientation program including health and safety training for newly joined employees.	The PC visited the factory on 3/27/2007 and noted that (1) fire training was performed on 11/17/06 and fire fighting certificates of employees were being issued. (2) The two Production Managers, ""Name"" and ""Name"" are responsible for regularly checking the aisles of production floor. (3) proper ventilation is provided to the chemical, which is stored inside cupboard at the stores; and (4) All newly recruited employees are given training in health and safety which includes an orientation program. The Human Resources Manager, ""Name"" is in charge of this task.	Training records and photos		
PPE	In accordance with the requirements of Factories Ordinance, Sec. 51 (1), the facility shall ensure that employees use facemasks wherever dust is being generated.	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.	Some overlock operators were not wearing face masks.			Through the visual inspection	Factory should provide proper Personal Protective Equipment (PPE) such as protective face masks to overlock operators. In addition, factory should also conduct trainings to them to ensure that PPE is used properly.	The factory confirmed that the corrective actions had been taken on 11/15/2006.	Factory agreed to provide proper Personal Protective Equipment (PPE) such as protective face masks to overlock operators and conduct trainings to them to ensure that PPE is used properly.	The PC visited the factory on 3/27/2007 and noted that employees at over locking section wear mask during work and they had been educated on the need to wear Personal Protective Equipment (PPE) properly. Face masks are being provided at production floor.	Training records and photos			
7. Freedom of Association and Collective Bargaining														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining														
Employer Interference/Elections		Workers' organizations have the right to elect their representatives and conduct their activities without employer interference	The union in the factory is dysfunctional. The workers are not aware of the union secretary. Management did not allow the secretary to sit in the opening meeting				The factory should ensure all employees well aware of the union secretary and arrange the secretary to sit in the opening meeting.	The factory confirmed that the corrective actions had been taken on 12/20/2006.	The factory agreed to arrange meeting with all workers to announce the union secretary and the union secretary would also join the opening meeting.	The PC visited the factory on 3/27/2007 and noted that a meeting with all workers to announce the union secretary was held and the union secretary also joined the opening meeting.	Meeting records			
8. Wages and Benefits														
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a basis, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.														
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														
Overtime Limitations	In accordance with Sec. 68(2) of the Factories Ordinance Act as amended in Act No. 19 of 2002, that the total hours of work do not exceed 60 hours per week for female employees.	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.	Weekly OT hours were exceeded by [several] male employees, [several] female employees in the month of June, [several] female employees and [several] male employees in the month of July and [several] female employees in the month of August 2006. The range was 60 – 62 hours.			Through worker interview and in/out record review process	The factory should develop a plan to reduce the working hours to an acceptable level and the total hours of work do not exceed 60 hours per week.	The factory confirmed that the corrective actions had been taken on 1/31/2007.	The factory agreed to set up a control to monitor working hours on weekly basis so that employees work no more than 60 hours in a week.	The PC visited the factory on 3/27/2007 and noted that factory has set up a control to monitor working hours on weekly basis so that employees work no more than 60 hours per week. Instructions were given to all departmental heads to arrange at least one day off in a week to employees and work not more than 60 hours per week. The Human Resources Manager, ""Name"" is responsible for handling this task. Both payroll and attendance records of December 2006 and January 2007 were reviewed without exceptions noted.	Payrolls and attendance records			
Other	In accordance with the requirements of Wages Board Ordinance Sec.24, and Board of Investment Labor standards and Employment Relation manual, October 2003, Section 4.1.1, the facility shall provide the workers who have worked on Sunday (the weekly holiday), an alternative day off in the successive week before the next weekly holiday.		One day rest period were not granted with in succeeding six days for three employees in the month of June and six employees in the month of August 2006 who worked on Sunday.			Through the documentation process and worker interview	The factory should develop a plan to reduce the working hours to an acceptable level and employees are granted at least one day off in a week.	The factory confirmed that the corrective actions had been taken on 1/31/2007.	The factory agreed to set up a control to monitor working hours on weekly basis so that employees have at least one day off per week.	The PC visited the factory on 3/27/2007 and noted that factory has set up a control to monitor working hours on weekly basis so that employees work no more than 60 hours in a week. Instructions were given to all departmental heads to arrange at least one day off in a week to employees and work not more than 60 hours per week. The Human Resources Manager, ""Name"" is responsible for handling this task. Both payrolls and attendance records of December 2006 and January 2007 were reviewed without exceptions noted.	Payrolls and attendance 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.														
Accurate recording of OT hours worked	According to Section 3 of the Wages Board Ordinance and Section 3.2.5 of the Labor standards and Employment Relations manual of Board of Investment (march 2004)- Sri Lanka Proper wage records indicating basic wage, allowances, overtime Sunday/Public Holiday earnings and deductions shall be maintained and kept in the Enterprise, as required by the relevant law	Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	Overtime hours were wrongly calculated in the month of June 2006.			Through the payroll review process	Management agree to pay the short amount.	The factory should accurately and completely capture the working hours including overtime hours. Employees should also be compensated for working overtimes pursuant to legal regulations.	The factory confirmed that the corrective actions had been taken on 1/31/2007.	The factory agreed to pay back the difference on overtime compensation and establish a system to ensure overtime hours calculated accurately.	The PC visited the factory on 3/27/2007 and noted that factory has established a system to ensure overtime hours calculated accurately.	Payrolls and attendance records		