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**: MEXICO
- **Factory code**: 16025003C
- **IEI**: COTECNA
- **Date of audit**: 23-24 AUGUST 2004
- **Days in the facility**: TWO
- **PC(s)**: LIZ CLAIBORNE, INC. AND PHILLIPS-VAN HEUSEN
- **Number of workers**: 1617
- **Product(s)**: KNITTING, MAKING UP, INSPECTION, FINISHING, WASHING, IRONING, LABELING, PACKING UP.

#### FLA Code Compliance issues

<table>
<thead>
<tr>
<th>FLA Code/Compliance issue</th>
<th>Legal Reference</th>
<th>FLA Benchmark</th>
<th>Monitor's Findings</th>
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<th>Best Practice</th>
<th>PC remediation plan</th>
<th>Target Completion Date</th>
<th>Factory Response</th>
<th>PC follow up</th>
<th>Documentation</th>
<th>Best Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Code Awareness</td>
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<tr>
<td>a. Code posting/information</td>
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<td></td>
<td>No COC of Liz Claiborne or PVH were posted anywhere in the factory.</td>
<td>Manager interview and Visual inspection</td>
<td>Post the PVH code of conduct poster on bulletin board in a common area where accessible to all employees.</td>
<td>10-2004</td>
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<tr>
<td>b. Worker/management awareness of Code</td>
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<td>Workers are not aware of Company Policies on Forced Labor and Harassment or Abuse.</td>
<td>Workers interviews</td>
<td>Post the code of conduct posters on bulletin boards in common areas where accessible to all employees.</td>
<td>6-Nov</td>
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<td>c. Confidential non-compliance reporting channel</td>
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<td>Neither Liz Claiborne nor PVH have put in place a confidential non-compliance mechanism for use of the workers.</td>
<td>Manager interview.</td>
<td>Implement a confidential non-compliance mechanism to allow workers to address grievances with the PC.</td>
<td>12/1/2004</td>
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<td>2. Forced Labor</td>
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<td>3. Child Labor</td>
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<td>4. Harassment or Abuse</td>
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<td>5. Nondiscrimination</td>
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</table>

#### Findings

- **FLA Code/Compliance issue**: Code Awareness
- **Legal Reference**: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers. (POM)

- **Monitor's Findings**: No COC of Liz Claiborne or PVH were posted anywhere in the factory.

- **Documentation**: Manager interview and Visual inspection

- **Best Practice**: Post the PVH code of conduct poster on bulletin board in a common area where accessible to all employees.

- **Target Completion Date**: 10-2004

- **Factory Response**: The PVH code of conduct poster has been posted in an area accessible to all employees.

- **PC follow up**: The implementation process is ongoing.

- **Documentation**: The Factory has conducted four sessions to include all employees. Human Resources Department has prepared written and visual material for better comprehension, emphasizing the most important points in the code.
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<th>Documentation Best Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. Hiring Discrimination Practices</strong></td>
<td>Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.</td>
<td>Records review</td>
<td>Respect employees’ rights to comply with all national/local laws and regulations concerning freedom of association and collective bargaining, and remove the union affiliation clause from the job application form. Employees should be free to join organizations of their own choice without being subject to intimidation or harassment.</td>
<td>11/15/2004</td>
<td>Factory allows employees to freely join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will place a notice reminding employees their right to freedom of association on the announcement boards around the factory. Factory will also emphasize the freedom of association in the introduction course when employees first join the company. Human Resource Dept. will eliminate the union affiliation clause from the employment application form.</td>
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<td><strong>5. Health and Safety</strong></td>
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<tr>
<td><strong>Employee Training and Development</strong></td>
<td>In the job application form used by prospect workers there is a question about past Union affiliations.</td>
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<td><strong>6. Health and Safety</strong></td>
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<tr>
<td><strong>Evacuation Procedures</strong></td>
<td>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 compiled with and workers shall be trained in proper safety, first aid, and evacuation procedures.</td>
<td>Visual inspection</td>
<td>Increase the spacing of the passage ways in between assembly lines machines and keep all passageways clear of obstruction at all times. Repaint all aisles with yellow lines to indicate this to employees.</td>
<td>10/15/2004</td>
<td>Factory will increase spacing of the aisles, repaint the yellow lines to indicate that all aisles must remain clear at all times.</td>
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<tr>
<td><strong>Evacuation Procedure</strong></td>
<td>Passage ways in between assembly lines machines are narrow and are obstructed with material boxes making it difficult to walk.</td>
<td>Visual inspection</td>
<td>Increase the spacing of the passage ways in between assembly lines machines and keep all passageways clear of obstruction at all times. Repaint all aisles with yellow lines to indicate this to employees.</td>
<td>10/15/2004</td>
<td>Factory will increase spacing of the aisles, repaint the yellow lines to indicate that all aisles must remain clear at all times.</td>
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<tr>
<td><strong>Safety Equipment</strong></td>
<td>Two extinguishers were not in place during the auditors walk through. One in the raw materials warehouse and another outside the dormitories area.</td>
<td>Visual inspection</td>
<td>Ensure all fire extinguishers are in their appropriate places.</td>
<td>15-Oct</td>
<td>All fire extinguishers will be in their appropriate places.</td>
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<td>15-Oct</td>
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</tr>
<tr>
<td><strong>PPE</strong></td>
<td>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.</td>
<td>Visual inspection</td>
<td>Reduce factory noise level in the knitting section to 85 d or less in an 8 hour period to reduce a health hazard.</td>
<td>11/17/2004</td>
<td>Earplugs have been provided to all employees in the knitting area. In addition, supervisors will enforce the use of the earplugs. Education of all employees on the benefits and importance on all PPE has been done.</td>
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<tr>
<td><strong>Chemical Management</strong></td>
<td>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.</td>
<td>Visual inspection</td>
<td>Ensure all PPE is being worn and maintain PPE in proper working order.</td>
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<tr>
<td><strong>Chemical Management</strong></td>
<td>There is not a source of water near the chemical storage area.</td>
<td>Visual inspection</td>
<td>Install a source of water near the chemical storage area.</td>
<td>12/1/2004</td>
<td>Water source has been implemented.</td>
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</tbody>
</table>
### FLA Code/Compliance issue

<table>
<thead>
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</table>

#### III. Sanitation in Dormitories
- All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting etc.). Emergency evacuation drills should also be conducted at least annually.

#### 6. Ergonomics
- Workers sit on stools at the assembly line without appropriate back support. Provide back supports on the sitting stools for the workers at the assembly line. 12/1/2004
  - Back supports have been provided.

#### 7. Freedom of Association and Collective Bargaining
- Employers will recognize and respect the right of employees to freedom of association and collective bargaining.

- a. Right to Freely Associate
  - Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment.
  - Workers will have the right to join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will also emphasize the freedom of association in the introduction course when employees first join the company.
  - Workers testimonies that there is fear of retaliation if they decide to start an independent union.
  - Respect employees' rights to comply with all national/local laws and regulations concerning freedom of association and collective bargaining. Employees should be free to join organizations of their own choice without being subject to intimidation or harassment.
  - Factory allows employees to freely join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will also emphasize the freedom of association in the introduction course when employees first join the company.

- b. Employer interference/formation of alternative organizations
  - In cases where a single union represents workers, the employer will not interfere in any way in workers' ability to form other organizations that represent workers.
  - According to Management the company has not fired any worker due to their union activities; however many workers told auditors that workers were dismissed when leading efforts to form an independent union.
  - Respect employees' rights to comply with all national/local laws and regulations concerning freedom of association and collective bargaining. Employees should be free to join organizations of their own choice without being subject to intimidation or harassment.
  - Factory allows employees to freely join any union. No intimidation or harassment was ever involved to discourage workers from freedom of association. The factory will also emphasize the freedom of association in the introduction course when employees first join the company.
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.

<table>
<thead>
<tr>
<th>Other</th>
<th>Transport</th>
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<th>PC remediation plan</th>
<th>Target Completion Date</th>
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</table>

9. Hours of Work

- **Forced overtime**: Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime. Chinese workers work 12 hours a day and 6 days a week, according to worker interviews. No evidence of willingness to do this was shown to auditors.

- **Overtime Limitations**: 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.

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.

Miscellaneous