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

<table>
<thead>
<tr>
<th>Country</th>
<th>Benchmark or legal reference</th>
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<tbody>
<tr>
<td>China</td>
<td>IEM</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Factor Code</th>
<th>IEM Date of monitoring visit</th>
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</thead>
<tbody>
<tr>
<td>China 05001545A</td>
<td>24-Jun-02</td>
</tr>
</tbody>
</table>

#### Participating Company

Liz Claiborne, Inc.

#### Number of Workers

3206

### FLA Code

- **FLA Code Code Awareness**: Participating Company was found to have fully implemented all Code Awareness requirements.
- **FLA Code Forced Labor**: Participating Company was found to have fully implemented all Forced Labor requirements.
- **FLA Code Child Labor**: Participating Company was found to have fully implemented all Child Labor requirements.

### Findings

#### Code Awareness

All workers were aware of the FLA and its purpose.

#### Forced Labor

No evidence of forced labor was found.

#### Child Labor

- **Juvenile Workers**: No violations were found.
- **Child Labor**: No violations were found.
- **Forced Labor**: No violations were found.

### Remediation

#### Code Awareness

- **Findings**: Participating Company was found to have fully implemented all Code Awareness requirements.
- **Documentation**: Participating Company provided documentation of all Code Awareness actions taken.

#### Forced Labor

- **Findings**: Participating Company was found to have fully implemented all Forced Labor requirements.
- **Documentation**: Participating Company provided documentation of all Forced Labor actions taken.

#### Child Labor

- **Juvenile Workers**: Participating Company was found to have fully implemented all Juvenile Workers requirements.
- **Child Labor**: Participating Company was found to have fully implemented all Child Labor requirements.
- **Forced Labor**: Participating Company was found to have fully implemented all Forced Labor requirements.

### Remediation Findings

#### Code Awareness

- **Findings**: Participating Company was found to have fully implemented all Code Awareness requirements.
- **Documentation**: Participating Company provided documentation of all Code Awareness actions taken.

#### Forced Labor

- **Findings**: Participating Company was found to have fully implemented all Forced Labor requirements.
- **Documentation**: Participating Company provided documentation of all Forced Labor actions taken.

#### Child Labor

- **Juvenile Workers**: Participating Company was found to have fully implemented all Juvenile Workers requirements.
- **Child Labor**: Participating Company was found to have fully implemented all Child Labor requirements.
- **Forced Labor**: Participating Company was found to have fully implemented all Forced Labor requirements.

#### Remediation Findings

#### Code Awareness

- **Findings**: Participating Company was found to have fully implemented all Code Awareness requirements.
- **Documentation**: Participating Company provided documentation of all Code Awareness actions taken.

#### Forced Labor

- **Findings**: Participating Company was found to have fully implemented all Forced Labor requirements.
- **Documentation**: Participating Company provided documentation of all Forced Labor actions taken.

#### Child Labor

- **Juvenile Workers**: Participating Company was found to have fully implemented all Juvenile Workers requirements.
- **Child Labor**: Participating Company was found to have fully implemented all Child Labor requirements.
- **Forced Labor**: Participating Company was found to have fully implemented all Forced Labor requirements.

### Remediation

#### Code Awareness

- **Findings**: Participating Company was found to have fully implemented all Code Awareness requirements.
- **Documentation**: Participating Company provided documentation of all Code Awareness actions taken.

#### Forced Labor

- **Findings**: Participating Company was found to have fully implemented all Forced Labor requirements.
- **Documentation**: Participating Company provided documentation of all Forced Labor actions taken.

#### Child Labor

- **Juvenile Workers**: Participating Company was found to have fully implemented all Juvenile Workers requirements.
- **Child Labor**: Participating Company was found to have fully implemented all Child Labor requirements.
- **Forced Labor**: Participating Company was found to have fully implemented all Forced Labor requirements.
6. Health and Safety

Maternity Leave

- FLA Code Benchmark VII. Wages and Benefits: Hours of Work, Overtime Compensation: Legally mandated benefits will be provided or paid in full within legally defined time periods.
  - In accordance with the PRC Labor article 62, childbearing leaves with pay for female workers shall be at least 90 days.
  - It was noted that the factory did not provide such benefits to workers.

  - According to the contractor’s confirmation dated Sept 13, 2002, childbearing leaves with pay will be provided to female workers when they have worked in the factory for one full year.

  - The factory established a new policy to provide maternity leave with pay to female workers. The PC reviewed payroll records and interview workers to confirm compliance.

  - The factory confirmed that the corrective actions were taken on October 9, 2002. The PC visited the factory on October 30, 2002 and confirmed that the handrail was properly installed.

Machine Safety

- FLA Code Benchmark V. Health and Safety: All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.
  - According to the contractor’s confirmation dated Sept 13, 2002, corning machines located on 1/F of the production building were installed with belt guards.

  - It was noted that corning machines located on 1/F of production building that next to raw material warehouse were not installed with belt guard.

  - The factory confirmed that the corrective actions were taken on September 13, 2002. The PC visited the factory on September 13, 2002 and confirmed that the corning machines located on 1/F of the production building were installed with belt guards.
Waages and Benefits

FLA Code Benchmark VII. Wages and Benefits: Hours of Work, and Overtime Compensation:

1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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 wage cards. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All compensation will be paid in a timely manner. 6) All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date.

In accordance with FLA Compliance Benchmark VII B, wages could not be verified due to the following reasons: 1.) [Some] interviewees stated that they did not need to punch time card as the working hours were registered by reason. However, the factory did not provide the related attendance record for checking. 2.) According to the factory wage calculation system, the overtime wage was paid at 150%, 200% and 300% of normal wage rate. However, piece rated workers stated that the overtime premium was RM8.00 per overtime hour. This proved that there was no overtime premium. 3.) [Some] interviewees stated that they affixed their names in personal letter of signing. However, the payroll records with all workers’ signatures were provided by the factory management. 4.) [Some] interviewees stated that the wage of April 02 was paid on 13th – 15th June 2002 and the wage of May 02 was not yet paid. However, the factory management claimed that the wage of May 02 had been paid on 15th June 2002.

According to the contractor’s confirmation dated Sept 15, 2002, regular working hours, overtime working hours can now be verified from the time card system. The wages can also be verified.

The PC will check the time records and interview the workers on a quarterly basis until satisfied that the working hours are completely recorded and the workers are being paid properly and timely. The factory is now on a probationary status.

7.) The factory shall comply with applicable law for premium rates for overtime compensation.

FLA Code Benchmark VII. Wages and Benefits: Hours of Work, and Overtime Compensation: 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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 wage cards. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All compensation will be paid in a timely manner. 6) All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date.

In accordance with FLA Compliance Benchmark VII B, wages could not be verified due to the following reasons: 1.) [Some] interviewees stated that they had ever overtime worked at nights in March 02. However, no any overtime at nights were shown in time card of March/02.

According to the contractor’s confirmation dated Sept 13, 2002, time cards and payroll records for the month of March 2002 and onwards are available for review.

The facility should maintain twelve months of payroll records and time cards for review. In view of the poor time-recording system identified above, the PC will review the payroll records again in March 2003.

Record Keeping

FLA Code Benchmark VII. Wages and Benefits: Hours of Work, and Overtime Compensation: 1) Accurate and reliable payroll reporting, including pay stubs will be provided. 2) 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 wage cards. 3) All compensation records will be maintained accurately and should be acknowledged by the employee as accurate. 4) All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately. 5) All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date.

In accordance with FLA Records Review, the factory should keep 12 months payroll record and time cards for review.

It was noted that the factory only provided one month (March 2002) time cards and payroll records for review.

The factory should maintain twelve months of payroll records and time cards for review. In view of the poor time-recording system identified above, the PC will review the payroll records again in March 2003.
## FLA Code Benchmark VII: Wages and Benefits

### Hours of Work and Overtime Compensation

1. **Legally mandated benefits will be provided or paid in full within legally defined time periods.**
   - According to the contractor’s confirmation dated Sept 13, 2002, workers who have worked in the factory for one full year above and 5 years below will be provided with either 5 days’ annual leave, or an amount equal to 5 days of their average daily wages, whichever are preferred by workers.
   - It was noted that the factory did not provide paid annual leave benefits to workers.

   - The factory established policy to provide annual leave with pay to workers according to the local regulation. It is not a must to take the annual leave. The factory ensures that the workers have a right to decide whether they want to take the leave or not. The factory encourages the workers to take the holidays, as stipulated by law.

   - The factory should provide paid annual leave benefits to workers.

2. **Legally mandated benefits will be provided or paid in full within legally defined time periods:**
   - According to the contractor’s confirmation dated Sept 13, 2002, pay stub is provided for each worker’s verification during factory release wages.
   - It was noted that no pay stub was provided for the workers when the factory pay wages.

   - The factory should provide information to workers at the time when they are paid which will enable them to clearly understand the calculations of their earnings and deductions. The PC will continue to review pay stubs during the next factory visit in March 2003.

3. **Legally mandated benefits will be provided or paid in full within legally defined time periods:**
   - According to the contractor’s confirmation dated Sept 13, 2002, wages will be paid to workers around 30 to 35 days during peak season and within 30 days during slack season.
   - It was noted that some selected workers stated that they received wages around 40 to 45 days after the working period.

   - The factory should continue to improve the payroll system in order to pay the workers within 30 days both in peak and slack seasons.

### FLA Code Benchmark VII: Wages and Benefits

### Hours of Work and Overtime Compensation

- **FLA Code Benchmark VII: Wages and Benefits, Hours of Work and Overtime Compensation:**
  - Employers will communicate orally and in writing to all employees in the language of the country in which the wages are paid.
  - Employers will provide workers with a copy of the payroll records when they pay wages.

- **FLA Code Benchmark VII: Wages and Benefits, Hours of Work and Overtime Compensation:**
  - Employers will provide workers with a copy of the payroll records when they pay wages.

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<tbody>
<tr>
<td></td>
<td>It was noted that the factory only 500 out of 3572 workers signed labor contracts with factory. Remark: The factory management claimed that the rest of employees not signing contract are in the process to be completed.</td>
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<td>According to the contractor’s confirmation dated Sept 13, 2002, signing of labor contract is in progress and completion is expected to be by the end of October, 2002.</td>
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<td></td>
<td>Participating company will ensure that these actions were taken.</td>
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<td>The factory should ensure the completeness of labor contracts by signing all contracts be signed by both parties.</td>
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<td>The factory confirmed that the corrective actions were taken on October 9, 2002. The PC visited the factory on October 30, 2002 and reviewed the labor contracts, and confirmed that the workers had signed their labor contracts.</td>
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<td>Five labor contracts are included in the PC’s internal file.</td>
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