

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 | Korea |
| Factory name | 05004033C |
| IEM | Global Standards |
| Date(s) in facility | Sept. 2, 2004 |
| PC(s) | Liz Claiborne Inc. |
| Number of workers | 60 |
| Product(s) | Apparel (women's suit) |
| Production processes | Cutting, sewing, inspection, packing |

| FLA Code/ Compliance issue | Country Law/Legal Reference | Findings | | | | Remediation | | | | Updates | | Company Verification Follow up |
|---|---|--|--|---|---|--|------------------------|--|---|--|--|--|
| | | FLA Benchmark | Monitor's Findings: Noncompliance, Indicator or Risk | Documentation | Best Practice | PC Remediation plan | Target Completion Date | Factory Response (Optional) | Company follow up (Cite date of follow up) | Documentation | Company Follow up (Cite date of follow up visit) | Company Follow up (Cite date of planned or follow up visit, if appropriate) |
| 1. Code Awareness | | | | | | | | | | | | |
| Worker/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. | Some workers are not aware of the Code. | Worker interview | | PC will request that management hold a meeting with workers, provide them with individual copies of the Code of Conduct which includes Co. contact information. Also will request that new hires receive a copy of the code. | 10/31/04 | Factory held a meeting on 10/15 to inform Liz "Code of Conduct" to the all employees. And checked thru workers' interview on 11/08 by local agent. | Local agent interviewed workers on Nov. 8, 2004 to confirm Code awareness. Code is also posted in local language along with Liz contact information should workers feel the need to contact the Company representative. | Pictures of the meeting, attendance sheet / acknowledgement sheet signed by workers. | Local agent will return to factory in January to confirm that new workers are knowledgeable of the Code. | PC should follow up with worker interviews and with person responsible for hiring to ensure that new hire procedure is in place. |
| 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. | This procedure is not in place. | Management interviews | | PC will request that factory install a suggestion box(es) and develop and communicate procedures to make this an effective grievance procedure without reprisals. | 10/31/04 | Suggestion Box was in the office on Sep 02. It has now been moved to the Production Floor (more accessible to workers). | Local agent confirmed moving the suggestion box and procedures posted above the box. | Photographs / copy of procedure for internal file. | PC should follow up to ensure the system is effective by reviewing complaints and resolutions in January 2005. | PC should follow up with worker interviews and review the entries in the suggestion box and that the resolutions were addressed timely. This will be done in January 2005. |
| 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 of 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. | | | | | | | | | | | | |
| Hiring Discrimination Practices | Labor Standards Act : Article 5 An employer shall not discriminate against workers by sex, or take discriminatory treatment in relation to the conditions of employment according to nationality, religion or social status | 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 | | Management interview and records review | Same employment policy and benefits applied to foreign workers. | | | | | | | |
| 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 | | | | | | | | | | | | |

| FLA Code/ Compliance issue | Findings | | | | | Remediation | | | | | Updates | Company Verification Follow up |
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| Evacuation Procedure | Industrial safety and health act : Article 31 (1) The business owner shall periodically conduct education on safety and health for the workers in his place of business as prescribed by the Ordinance of the Ministry of Labor (only applied to management) | 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 | Evacuation routes need to be more clearly established. | Visual inspection | | Confirm that evacuation routes are clearly illustrated on the factory walls and arrows on the floors are also clear | 10/31/04 | Factory already illustrated evacuation routes on the wall and arrows on the floors on Sep 02 after audit. | PC confirmed that evacuation routes were properly posted and floor markings were clear on 9/3/04. | Photos of evacuation routes | | |
| Safety Equipment | | 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 | It is not easy for workers to access the fire alarm. | Visual inspection | | Is there anything that can be done here? | | One sewing machine obstructed Alarm has been removed after GSC audit. | PC confirmed the removal of obstacle in front of fire alarm on 9/3/04 | Photos of improved placement of fire alarm | | |
| Ventilation/Electrical/facility maintenance | Industrial safety and health act : Article 24 (1) 6. Health problems caused by failure to maintain the proper standards of ventilation, lighting, illumination, thermal insulation, dampproofing, cleaning, etc. | 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 | Two switch boxes need covers. The cutting room needs an adequate ventilation system. | Visual inspection | | | | 1 switch boxes which not in use was taken off, the other one now covered. No more use Fan from Mid of Sep 9/15. | Confirmed 2 switch boxes now covered. The factory will no longer be performing the special procedure which made this room hot. They committed to providing adequate ventilation if they again perform this procedure but there are currently no plans to do so. | Photo of improved switch cover. | | |
| 7. Freedom of Association and Collective Bargaining | | | | | | | | | | | | |
| Employers will recognize and respect the right of employees to freedom of association and collective bargaining | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | |
| Voluntary Use of Benefits | | All workers have a right to use or not to use employer provided services, such as housing or meals | | Worker interview and management interview | Factory provide meals to workers | | | | | | | |
| Payroll Reporting | | Accurate and reliable payroll reporting, including pay stubs will be provided | | Worker interview and management interview | Payment slips provided to workers every month | | | | | | | |
| Legal benefits | Employment Insurance Act : Article 9 The business owner and the workers shall automatically become the insured; National Health Insurance Act : Article 8 All business owners, employees, government employees and school workers are classified as employed insured; National Pension Act : Article 6 Citizens of the Republic of Korea aged from 18 to less than 60 and who reside in the Republic of Korea shall be covered under National Pension Act. | Employers will provide all legally mandated benefits to all eligible workers | Factory provides social insurance benefits to most of its workers (80-90%) | Worker interview and records review | | PC has been working with factory to reach full compliance and will confirm % on next visit. | Gradually improve. | | Gradually improve. | | | |
| 9. Hours of Work | | | | | | | | | | | | |

| FLA Code/ Compliance issue | Findings | | | | | Remediation | | | | | Updates | Company Verification Follow up |
|---|-----------------------------|---------------|--|---------------|---------------|---------------------|------------------------|-----------------------------|--|---------------|--|---|
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| 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 | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | |
| Unauthorized subcontracting | | | | | | | | | | | | |
| Possible homework | | | | | | | | | | | | |