



Liz Claiborne Inc.

Banners: 28 apparel brands, including Liz Claiborne, Mexx, DKNY, Lucky Brand Jeans, Juicy Couture, Ellen Tracy
Type of company: Public, NYSE: LIZ

| Notes on Findings | Company Score | Question Weighting (% of section) |
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1. Governance and Risk Management

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| 1.1 Board level responsibility for ethical issues in the supply chain -No reported evidence of formal board sub-committee or board member with explicit responsibility for ethical issues in supply chain 2004 annual report, committee membership page | 0 | 40 |
| 1.2 Reporting of labour standards issues in the supply chain as a risk factor -No mention of labour standards issues as a risk factor | 0 | 30 |
| 1.3 Risk analysis of labour standards issues in the company's existing supply chain -Fair Labour Association (FLA) conducts risk assessment to determine which factories will be subject to independent external monitoring <i>p.21-22, FLA Charter document</i> http://www.fairlabor.org/all/about/FLAcharter.pdf | 100 | 30 |
| Section total score / section weighting | 30 | X 10% |

2. Code for Labour Standards in the Supply Chain

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| 2.1 Quality and scope of the code for labour standards in the supply chain -There is a list of Standards of Engagement -It is consistent with the ILO core conventions -It does not meet the hours of work standards -It does not include a living wage requirement | 50 | 60 |
| 2.2 Publication and availability of the code for labour standards in the supply chain -It is published on their website http://www.lizclaiborneinc.com/rights/conduct.asp | 100 | 20 |
| 2.3 Application of the code for supply chain labour standards -Standards apply to entire breadth of production (but not their own procurement) "Suppliers must adhere to Liz Claiborne's Standards of Engagement" <i>See above link</i> | 66.7 | 20 |
| Section total score / section weighting | 63.34 | X 15% |

3. Stakeholder Engagement

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|--|-------|-------|
| 3.1 Multi-stakeholder processes -Member of the Fair Labour Association (FLA) www.fairlabor.org | 100 | 50 |
| 3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chain -There are reports of examples of engagement with NGOs and/or trade unions in Guatemala, Sri Lanka and Hong Kong. It is unclear whether this engagement is taking place over time. <i>p. 124, 2005 FLA Report</i> | 33.3 | 50 |
| Section total score / section weighting | 66.65 | X 20% |

4. Management

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| 4.1 Resource Commitment -VP of Human Rights Compliance is responsible for compliance activities -This person "oversees compliance activities in coordination with compliance team members" -This person is two reporting levels from the board <i>Page 29, 2004 FLA Report.</i> | 100 | 30 |
| 4.2 Training for Buying agents - No reported evidence | 0 | 25 |
| 4.3 Training for factory management personnel and workers - No reported evidence of training for factory management personnel or factory workers - There is mention of five vendor workshops in China and of approximately 30 individual meetings with high level representatives of main suppliers, but there is no reported evidence that the training was conducted at the site of production or that it was directed specifically at factory management personnel or workers <i>p. 30, 2004 FLA report</i> | 0 | 25 |
| 4.4 Rewards and Incentives -No reported evidence | 0 | 20 |
| Section total score / section weighting | | 30 X 20% |

5. Supply Chain Auditing and Reporting

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| 5.1 Commitment to auditing labour standards in the supply chain -There are internal audits and FLA external audits. -Liz Claiborne's internal monitoring program was accredited by the FLA in 2005 <i>www.fairlabor.org</i> | 100 | 15 |
| 5.2 Status of the audit schedule -An auditing work plan has been scheduled and is currently being implemented -Percentage of factories are audited by FLA <i>p.28, 2004 FLA report</i> | 100 | 5 |
| 5.3 Public disclosure of manufacturing sites -No reported evidence | 0 | 10 |
| 5.4 Transparency of the labour standards auditing methodology -The auditing methodology is publicly available and follows generally accepted practices -FLA audit methodology available through website -Methodology used by internal monitors or Global Social Compliance monitors is not. <i>www.fairlabor.org</i> | 100 | 15 |
| 5.5 External verification of labour standard audits -FLA external verification includes - input from NGOs and unions onsite but it is unclear how systematic this third party involvement is -11 factories audited by FLA in 2003 <i>p. 28, FLA 2004 Annual Report</i> | 66.7 | 20 |
| 5.6 Reporting the results of audits of labour standards in the supply chain -There is some disclosure and analysis of audit findings at the factory or supplier level <i>See FLA tracking charts</i> | 75 | 20 |
| 5.7 Dealing with non-compliance -There is reported evidence of a policy for dealing with non-compliance -It is not very detailed and it is unclear whether there is a staged approach to dealing with violations | 66.7 | 15 |
| Section total score / section weighting | | 73.34 X 35% |

Total Score 58 /100