



## Liz Claiborne Inc.

**Banners:** 28 apparel brands, including Liz Claiborne, Mexx, DKNY Jeans, 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

<b>1.1 Board level responsibility for ethical issues in the supply chain</b> -The Nomination and Governance Committee is responsible for "standards of engagement (human rights and factory screening and monitoring)" <a href="http://media.corporate-r.net/media_files/irol/82/82611/governance/governance_committee_charter_031505.pdf">http://media.corporate-r.net/media_files/irol/82/82611/governance/governance_committee_charter_031505.pdf</a>	100	40
<b>1.2 Reporting of labour standards issues in the supply chain as a risk factor</b> - mention in the annual report and accounts of labour standards issues as a risk factor p. 62, <a href="http://library.corporate-ir.net/library/82/826/82611/items/194530/Annual%20Report_full.pdf">http://library.corporate-ir.net/library/82/826/82611/items/194530/Annual%20Report_full.pdf</a>	66.7	30
<b>1.3 Risk analysis of labour standards issues in the company's existing supply chain</b> -Prioritized internal audits based on country risk and previous compliance record p. 72, 2006 FLA Annual Report	100	30
<b>Section total score / section weighting</b>	90	X 10%

### 2. Code for Labour Standards in the Supply Chain

<b>2.1 Quality and scope of the code for labour standards in the supply chain</b> -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
<b>2.2 Publication and availability of the code for labour standards in the supply chain</b> -It is published on their website <a href="http://www.lizclaiborneinc.com/rights/conduct.asp">http://www.lizclaiborneinc.com/rights/conduct.asp</a>	100	20
<b>2.3 Application of the code for supply chain labour standards</b> -Standards apply to entire breadth of production "Suppliers must adhere to Liz Claiborne's Standards of Engagement" <i>See above link</i>	100	20
<b>Section total score / section weighting</b>	70	X 15%

### 3. Stakeholder Engagement

<b>3.1 Multi-stakeholder processes</b> -Member of the Fair Labour Association (FLA) <a href="http://www.fairlabor.org">www.fairlabor.org</a>	100	30
<b>3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chain</b> -There are reports of examples of engagement with NGOs and/or trade unions in Guatemala, China and Hong Kong. It is unclear whether this engagement is taking place over time. p. 72, 2006 FLA Annual Report	25	30
<b>3.3 Worker and third party complaints</b> - workers and third parties have access to FLA third party complaints process - has internal confidential reporting channel p. 72, 2006 FLA Annual Report	66.7	40
<b>Section total score / section weighting</b>	64.2	X 20%

## 4. Management

<b>4.1 Resource Commitment</b> -VP of Human Rights Compliance is responsible for compliance activities -This person is two reporting levels from the board <i>p. 71, 2006 FLA Annual Report</i>	100	25
<b>4.2 Training for Buying agents</b> - No reported evidence	0	25
<b>4.3 Training for factory management personnel and workers</b> - No reported evidence of training for factory management personnel or factory workers	0	25
<b>4.4 Rewards and Incentives</b> -No reported evidence	0	25
<b>Section total score / section weighting</b>		<b>25</b> X 20%

## 5. Supply Chain Auditing and Reporting

<b>5.1 Commitment to auditing labour standards in the supply chain</b> -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
<b>5.2 Status of the audit schedule</b> -An auditing work plan has been scheduled and is currently being implemented -Percentage of factories are audited by FLA <i>p. 71, 2006 FLA Annual Report</i>	100	5
<b>5.3 Public disclosure of manufacturing sites</b> -No reported evidence	0	10
<b>5.4 Transparency of the labour standards auditing methodology</b> -The auditing methodology is publicly available and follows generally accepted practices -FLA audit methodology available through website -Methodology used by internal monitors is not. <i>www.fairlabor.org</i>	100	15
<b>5.5 External verification of labour standard audits</b> -FLA external verification includes input from NGOs and unions onsite but it is unclear how systematic this third party involvement is. -13 factories audited by FLA in 2005 <i>p. 71, 2006 FLA Annual Report</i>	66.7	20
<b>5.6 Reporting the results of audits of labour standards in the supply chain</b> -There is some disclosure and analysis of audit findings at the factory or supplier level <i>See FLA tracking charts</i>	60	20
<b>5.7 Dealing with non-compliance</b> -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
<b>Section total score / section weighting</b>		<b>70.3</b> X 35%

**Total Score** **62** /100