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<tr>
<td>1. Code Awareness</td>
<td>FLA Benchmark: Translating the Code. Provide all employees in the supply chain, including contractors and suppliers, with a copy of the code in their native language. Reissue the code annually.</td>
<td>FLA Principles 1-5</td>
<td>Visual inspection and verbal communication.</td>
<td>A code is not in place.</td>
<td>The company is awaiting factory's communica</td>
<td>Schooling traini</td>
<td>5/1/2005</td>
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<td>FLA Principle of Monitoring, Obligation of Companies:</td>
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<tr>
<td>2. Forced Labor</td>
<td>FLA Benchmark: Forced Labor. Ensure that there is not forced labor, such as child labor, in the supply chain, including contractors and suppliers.</td>
<td>FLA Principles 5</td>
<td>Visual inspection and verbal communication.</td>
<td>A code is not in place.</td>
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<td>3. Child Labor</td>
<td>FLA Benchmark: Child Labor. Ensure that there is not child labor in the supply chain, including contractors and suppliers.</td>
<td>FLA Principles 5</td>
<td>Visual inspection and verbal communication.</td>
<td>A code is not in place.</td>
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<td>4. Harassment or Abuse</td>
<td>FLA Benchmark: Harassment or Abuse. Ensure that there is not harassment or abuse in the supply chain, including contractors and suppliers.</td>
<td>FLA Principles 5</td>
<td>Visual inspection and verbal communication.</td>
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<td>5. Discrimination</td>
<td>FLA Benchmark: Discrimination. Ensure that there is not discrimination in the supply chain, including contractors and suppliers.</td>
<td>FLA Principles 5</td>
<td>Visual inspection and verbal communication.</td>
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<td>6. Corruption</td>
<td>FLA Benchmark: Corruption. Ensure that there is not corruption in the supply chain, including contractors and suppliers.</td>
<td>FLA Principles 5</td>
<td>Visual inspection and verbal communication.</td>
<td>A code is not in place.</td>
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<td>FLA Code</td>
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<td>Coverage Adequacy Follow Up</td>
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- **Country Law/Legal Reference**
- **FLA Benchmark**
- **Monitoring**: Visual inspection, document review, worker interviews, and interviews with management.
- **Findings**: Observed that data was correctly maintained, employees were trained on safety equipment, and chemicals were properly stored. The warehouse was well-maintained.
- **Best Practice**: All applicable legally required or recommended elements of safety equipment, chemicals storage, and workers’ rights were in place.
- **PC Remediation Plan**: All findings were addressed within the remediation plan.
- **Target Company Follow Up (Cite Date)**: 3/30/2005
- **Company Follow Up (Cite Date)**: 11/1/2005
- **Documentation**: Company verification follow up.

- **FLA Code**: 2
- **Compliance Issue**: Remediation
- **FLA Benchmark**: Visual inspection, document review, and worker interviews.
- **Monitoring**: Visual inspection, document review, and worker interviews.
- **Findings**: The data was correctly maintained, employees were trained on safety equipment, and chemicals were properly stored. The warehouse was well-maintained.
- **Best Practice**: All applicable legally required or recommended elements of safety equipment, chemicals storage, and workers’ rights were in place.
- **PC Remediation Plan**: All findings were addressed within the remediation plan.
- **Target Company Follow Up (Cite Date)**: 3/30/2005
- **Company Follow Up (Cite Date)**: 11/1/2005
- **Documentation**: Company verification follow up.
FLA Code/Compliance Issue

Country Law/Legal Reference

FLA Benchmark

Monitor's Findings

Was Finding Corroborated?

If Not Corroborated, Explain Why

Best Practice

PC Remediation Plan

Target Completion Date

Factory/Region Follow Up (Old Date)

Company Follow Up (Old Date)

Documentation

Documentation

Documentation

Company Follow Up (Cite Date)

Documentation

Source/Documentation

Was Finding Corroborated?

If Not Corroborated, Explain Why

Best Practice

PC Remediation Plan

Target Completion Date

Factory/Region Follow Up (Old Date)

Company Follow Up (Old Date)

Documentation

Documentation

Documentation

Company Follow Up (Cite Date)

Documentation

Voluntary Use of Benefits

No. 489 under Temporary Provision of Salary Payment. Article 15, the employer should not deduct from the worker's salary for the following circumstances: 1) personal income tax, 2) social insurance not afforded by individual, 3) fine/fee requested in a judgment/trial, 4) other expenses as ruled by law.

All workers have a right to use or not to use employer provided services, such as housing or meals. Deductions for meals are made automatically.

Document review and worker interviews

All deductions for meals must be voluntary.

Please document whether or not each worker wishes to receive meal service and if they agree to wage deduction. Workers should be able to discontinue their meal service and deductions within agreed period of time if they choose. Wage deductions should never reduce workers' wages to below minimum wage.

3/30/2005

3/30/2005

Following up with 3rd Party Monitoring Company

Legal benefits

Article 72: Sources of social insurance funds shall be determined according to branches of insurance and an overall raising of social insurance funds shall be practiced step by step. Employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.

Employers will provide all legally mandated benefits to all eligible workers.

Legally required social insurance not provided to all workers.

Document review and worker interviews

Please provide all workers with their legally required social insurance benefit.

3/30/2005

Wage Benefits Awareness

Employers will communicate orally and in writing to all employees in language of worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.

Workers do not clearly understand how bonus system is calculated (knitting section only).

Document review and worker interviews

Please educate workers in knitting section on how to calculate the factory bonus for their job function.

3/30/2005

Pay statement

Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.

Some workers did not receive a pay statement.

Worker interviews

Ensure all workers receive a pay slip for each pay period. It is a good practice to have workers sign when they receive their wages and payslip.

3/30/2005

9. Hours of Work

Overtime Explanation

Employers shall be able to provide explanation for all periods when the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances.

Some workers mentioned that they worked on Sundays in cases of urgent orders, no documents proving this were found.

Worker interviews

It was noted in audit report that due to energy crisis, there was no power on Tuesdays and rest day was shifted. Please ensure that workers work no more than 6 consecutive days before receiving at least 1 uninterrupted 24 hour period of rest. Workers should receive advance notice when rest day will be shifted and reasons for change.

3/30/2005

10. Overtime Compensation

Miscellaneous

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.

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.

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