<table>
<thead>
<tr>
<th>FLA Code/Compliance Issue</th>
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<tr>
<td>Minimum Age Employment</td>
<td>FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company associates as well as subcontractors and suppliers inform their employees about the workplace standards and through the education efforts in the workplace, and where appropriate, engage key stakeholders (language spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.</td>
<td>Workers interview. The factory allows workers to terminate their contract with 30 days advance notice, but at the same time it is not so easy for workers because of the dependency payments.</td>
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<td>FLA Principle of Monitoring, Obligation of Companies: Ensure that no children under the age of 15 are employed by the Company on an unaccomplishment with the workplace standards, with security that they shall not be punished or prejudiced for doing so.</td>
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<td>Harassment or Abuse</td>
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Workers shall wear appropriate protective equipment, such as gloves, eye protection, hearing protection, respiratory protection, etc. to prevent unsafe exposure such as vibration, noise, dust, etc. to hazardous elements including medical waste.

- Install central fire alarm system with sound and visual provisions (such as fire extinguishers, first aid kits, and alarm bells). Emergency evacuation drills should also be conducted at least annually.
- Ensure that toilets and washrooms are clean at all times. Implement a regular cleaning and disinfecting schedule. Educate workers on the observance of cleanliness and its importance.
- Train full time laborers and all staff at all times. Implement a regular cleaning and disinfecting schedule. Educate workers on the observance of cleanliness and its importance.

Sanitation in Facilities
- Sanitation facilities shall be maintained in a clean and sanitary condition.
- Toilets shall be maintained in working order at all times. Implement a regular cleaning and disinfecting schedule. Educate workers on the observance of cleanliness and its importance.

Sanitation in Communes
- Sanitation is defined as the public health practice of maintaining and improving the conditions in which people live, work, and conduct their daily business, to prevent disease and promote personal health.

Safety/Health
- Establish a health and safety committee with the participation of management and worker representatives.
- Organize a health and safety committee with the participation of management and worker representatives.
- Develop a yearly plan of activities to address the health and safety concerns in the factory.

Recording
- Blackbird shall conduct a site visit and task analysis of each task.
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OHS
- Workers shall wear appropriate protective equipment, such as gloves, eye protection, hearing protection, respiratory protection, etc. to prevent unsafe exposure such as vibration, noise, dust, etc. to hazardous elements including medical waste.
- Develop a health and safety program that includes the identification and control of workplace hazards, employee training and education, and employee participation.
- The company shall maintain a written record of the accident and injury logs, which shall be maintained in a secure location accessible to all employees.
Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent workplace exposure to hazardous elements including medical waste.

The facility shall provide adequate PPE to all workers for at least 12 months. No welding, painting, or other maintenance or other areas shall be allowed without properly trained and qualified workers are present to ensure safe working conditions.

Management and workers interview, document checking. Provide protective equipment according to the risk in particular work area. Give briefing to supervisors and workers on the importance of using protective equipment. Include use of PPE in the training program for new employees and supervisors as well. Supervisors shall set an example in the use of protective equipment. If inadequate, post illustrations on the dangers to health and safety. If PPE is not used.

To prevent food poisoning and contamination, workers shall follow proper personal hygiene, especially before and after eating. Wash hands for at least 15 seconds with soap and water.

Local regulation document review.

All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safety storage water should be available in each building.

There is no storage facility for plates and utensil. Local regulation document review.

Provide a clean storage cabinet for plates and other cutlery. The cabinet should be properly protected from pests and rodents and should be regularly cleaned and disinfected.

Computer program to ensure that the payroll system is free of any error as to consistently calculate the wages according. Payroll report should be submitted to the government every week, the copy of the report should be submitted to the employees as well.

The computer does not record accurate and the unrecorded work hours shall be calculated and recorded accordingly. Management and workers interview, document checking. Provide protective equipment according to the risk in particular work area. Give briefing to supervisors and workers on the importance of using protective equipment. Include use of PPE in the training program for new employees and supervisors as well. Supervisors shall set an example in the use of protective equipment. If inadequate, post illustrations on the dangers to health and safety. If PPE is not used.

Management and workers interview. Provide protective equipment for all areas and other workstations. The cabinet should be properly protected from pests and rodents and should be regularly cleaned and disinfected.

The computer does not record accurate compensation. However, the pay record and the documentation shall be reviewed. Management and workers interview, document checking. Provide protective equipment according to the risk in particular work area. Give briefing to supervisors and workers on the importance of using protective equipment. Include use of PPE in the training program for new employees and supervisors as well. Supervisors shall set an example in the use of protective equipment. If inadequate, post illustrations on the dangers to health and safety. If PPE is not used.

Documents to ensure that the compensation is paid accurately. Management and workers interview, document checking. Provide protective equipment according to the risk in particular work area. Give briefing to supervisors and workers on the importance of using protective equipment. Include use of PPE in the training program for new employees and supervisors as well. Supervisors shall set an example in the use of protective equipment. If inadequate, post illustrations on the dangers to health and safety. If PPE is not used.

Interviews of workers to ensure that the compensation is paid accurately. Management and workers interview, document checking. Provide protective equipment according to the risk in particular work area. Give briefing to supervisors and workers on the importance of using protective equipment. Include use of PPE in the training program for new employees and supervisors as well. Supervisors shall set an example in the use of protective equipment. If inadequate, post illustrations on the dangers to health and safety. If PPE is not used.
**Wage and Benefits**

**Wage Benefits Awareness**

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

- The workers interviewed do not know how to calculate their wages.

- Workers interview.

- Develop a system of wage calculation that is simple and easy to understand for workers on how to calculate regular and overtime wages and all legal benefits. This should be done through the system of wage calculation on the bulletin boards at the production areas.

- Jan. 31, 2005

- The revised method was announced and made effective from March 1, 2005. Factory communicated the new method to workers by posting the system on the bulletin boards, giving live demonstrations of how to calculate wages, and made effective from March 1, 2005.

- March 31, 2005

- Workers interview; worker interviews; and document review.

**Wage recording system**

- All workers interviewed do not know how to calculate their wages.

- Workers interview.

- Develop a system for the deduction of the cost of meals availed of by the workers. Inform all workers on how to calculate regular and piece rate. Risk that workers will not be included in the coverage.

- Jan. 31, 2005

- Workers interview; worker interviews; and document review.

**Legal benefits**

- PRC Labor Law Article 74: The state shall provide development of a cause of social welfare, social insurance, and social assistance in the form of social security, and set up social insurance funds as. Employers can receive help and compensation when their employees suffer from injuries, lose their jobs, and give birth. PRC workers are entitled to legal benefits, such as housing or meals.

- All workers interviewed do not know how to calculate their wages. Workers interview.

- Develop a program or schedule to gradually increase the number of workers to be covered by social insurance. Workers interview; worker interviews; and document review.

- March 31, 2005

- Workers interview; worker interviews; and document review.

**Compensation of social insurance**

- Employers will provide all legally mandated benefits to all regular workers.

- All workers interviewed do not know how to calculate their wages.

- Workers interview; worker interviews; and document review.

- Develop a system for the deduction of the cost of meals of 70 Yuan per month is provided for workers and no deduction for meals is no longer reflected.

- Oct. 31, 2005

- Document review; document checking; and management.

**Compensation**

- Employers shall pay workers, on average, uniform benefits and other incentives will be calculated and recorded accurately.

- New programs and incentives are not recorded in the overtime hours are not recorded in the timecard.

- Document checking.

- All workers interviewed do not know how to calculate their wages.

- Workers interview; worker interviews; and document review.

- Develop a system for the deduction of the cost of meals of 70 Yuan per month is provided for workers and no deduction for meals is no longer reflected.

- Oct. 31, 2005

- Document checking; document review; document checking; and management.

**Orientation**

- Employers shall provide all hourly wages, piecework, bonuses, and other benefits paid to all workers.

- New employees do not receive the minimum wages required by the Workers’ Compensation Law. Workers interview.

- Develop a system for the deduction of the cost of meals of 70 Yuan per month is provided for workers and no deduction for meals is no longer reflected.

- Oct. 31, 2005

- Document checking; document review; document checking; and management.

**Factory transactions**

- Employers shall compensate for all forms of losses due to injuries, loss of job, suffering for the legal compensation of the injured workers.

- All workers interviewed do not know how to calculate their wages. Workers interview.

- Develop a program or schedule to gradually increase the number of workers to be covered by social insurance. Workers interview; worker interviews; and document review.

- March 31, 2005

- Workers interview; worker interviews; and document review.
**Labour Act, Arts 41, 43:**

41. Employing unit may verify during scheduled overtime hours worked in excess of code standard will be compensated. All working hours must be properly recorded by the factory. Awareness of overtime limitations provided for by law and the code of conduct.

43. The employing unit shall not extend working hours for a day shall generally not exceed 8 hours. Exception: due to special reasons, extended hours shall not exceed 10 hours a day under condition that the health of laborers is guaranteed. However, (a) the factory shall not extend working hours on any day a worker has worked 41 hours. The factory will comply with applicable law for premium rates for overtime compensation.

Workers shall be informed about overtime compensation. The records of work time of workers who voluntarily work overtime must be documented and all workers who work overtime, whether new or old, must be compensated according to law. *March 31, 2005*.

**Overtime Limitations:**

- 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 laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (c) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable means.
- **March 31, 2005**.

**Right to a Complaint with protected workers:**

The factory will comply with all applicable labor laws and regulations governing work hours, including those regarding or limiting the future and volume of work performed by worker or workers under the age of 18. Overtime work is not for child labor protection. They are completed to work illegally. Policies and procedures ensuring overtime is voluntary. Management must ensure that workers have the right to refuse overtime. **March 31, 2005**.

**Voluntary OT:**

Overtime hours worked in excess of code standard will be voluntary. No policies and procedures ensuring overtime is voluntary. Management must ensure that workers have the right to refuse overtime. **March 31, 2005**.

**Health and Safety:**

All subcontracting activities must be disclosed and approved by respective participating companies. Factory must require that subcontractors have necessary government registration permits; execute a written contract with them and ensure that they also comply with the standards.

- **March 31, 2005**.
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**Regular Late:**

Employee late to work on regular work hours. They are completed to work illegally. Management must ensure that workers have the right to refuse overtime. **March 31, 2005**.

**OT Compensation:**

The factory shall comply with all applicable laws for premium rates for overtime compensation. The records of work time of workers who voluntarily work overtime must be documented and all workers who work overtime, whether new or old, must be compensated according to law. **March 31, 2005**.

**Document Checking:**

Employees that regularly violate overtime compensation laws, by oral and printed means. Management must ensure that they have records of all overtime, and provide workers the right to inspect all documents related to overtime compensation. **March 31, 2005**.

**Working Hours:**

All employees are entitled to regular working hours (i.e., 48 hours per week, 8 hours on regular work hours and 12 hours overtime). The factory will comply with all applicable labor laws governing work hours, including those regarding or limiting the future and volume of work performed by worker or workers under the age of 18. **March 31, 2005**.

**Health and Safety:**

All subcontracting activities must be disclosed and approved by respective participating companies. Factory must require that subcontractors have necessary government registration permits; execute a written contract with them and ensure that they also comply with the standards. **Oct. 2005.**