<table>
<thead>
<tr>
<th>FLA Code/Compliance Item</th>
<th>Factory Follow-up</th>
<th>Documentation</th>
<th>Company Follow-up (November 2005)</th>
<th>Best Practices</th>
<th>FLA Audit Profile</th>
<th>Company Actions</th>
<th>IEM Organization</th>
<th>Global Standards</th>
<th>Report Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Code Awareness</td>
<td>yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Forced Labor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### FLA Principle of Monitoring, Obligation of Companies:

- **Factory Follow-up:**
  - Records to demonstrate and verify compliance with this code.
  - Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with the workplace standards, with contractors and suppliers to report to the Company on any noncompliance with the workplace standards, with adequate security that they shall not be punished or prejudiced for doing so.
  - To enable Company employees and employees of contractors and suppliers to report to the Company on any noncompliance with the workplace standards, in a manner appropriate to the culture and situation, to Company factories as well as to licensees, contractors and suppliers.

- **Documentation:**
  - Development of systems to monitor and verify adherence to the FLA Code/Compliance issue and continual improvement. Records to demonstrate and verify compliance with the code. They also knew how to contact the responsible person in Zephyr Graf, for the name and number of the Zephyr contact phone number of Zephyr Graf X and contact ways including telephone number are listed on the Reebok contact reporting channel.

- **Updates:**
  - Development of systems to monitor and verify adherence to the FLA Code/Compliance issue and continual improvement. Records to demonstrate and verify compliance with the code. They also knew how to contact the responsible person in Zephyr Graf, for the name and number of the Zephyr contact phone number of Zephyr Graf X and contact ways including telephone number are listed on the Reebok contact reporting channel.

### PC Internal audit findings (Optional)

- The factory management agreed to the name and number of the Zephyr contact phone number of Zephyr Graf X and contact ways including telephone number are listed on the Reebok contact reporting channel.

### From SGS audit results:

- There are no violations of the FLA Code with workers interviewed and the Graf X Code clearly posted/information about the workplace standards orally and through the Graf X Code and posted publicly for them. Also, the factory had taken conduct. The factory had taken a training meeting on the Code of Conduct. The factory had taken conduct. The factory had taken a training meeting on the Code of Conduct.

- The factory will sign contracts with some workers only after passing probation. The factory signs contracts with some workers only after passing probation. The factory will sign contracts with some workers only after passing probation.

- The SGS auditors found that all workers interviewed were aware and understood the Code of Conduct. The factory will provide a copy of and educate all employees on the contents of the Code. The Code must be given to and reviewed with each new worker hired. The factory will provide a copy of and educate all employees on the contents of the Code. The Code must be given to and reviewed with each new worker hired.

### Company Follow-up

- Company Follow-up: The factory management will also review the name and number of the Zephyr contact phone number of Zephyr Graf X and contact ways including telephone number are listed on the Reebok contact reporting channel. The factory will make sure that the Zephyr Graf-X Code clearly posted/information about the workplace standards orally and through the Graf X Code and posted publicly for them. The factory will make sure that the Zephyr Graf-X Code clearly posted/information about the workplace standards orally and through the Graf X Code and posted publicly for them.

### Company Actions

- The SGS auditors did not find any evidence of noncompliance with the workplace standards, with contractors and suppliers to report to the Company on any noncompliance with the workplace standards, with adequate security that they shall not be punished or prejudiced for doing so.
<table>
<thead>
<tr>
<th>FLA Code/ Compliance issue</th>
<th>Country Law/Legal Reference</th>
<th>Target Date</th>
<th>Completion Status</th>
<th>On-going</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Child Labor</td>
<td>The factory will comply with applicable laws that apply to child labor.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>4. Harassment or Abuse</td>
<td>No special regulations on overtime of juvenile employees.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>5. Nondiscrimination</td>
<td>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 of 18, including regulations relating to education, training, demonstrated skills or abilities. All employers who hire juvenile employees, in addition to complying with general employment requirements, must also undertake registration procedure with the local labor administration department at or above the level of regional which includes the registration of the juvenile employee's identity and the type of work.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>6. Freedom of Movement</td>
<td>Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment. Employers will have a system for identifying work stations that do not meet these requirements and will ensure that the right to privacy and freedom of movement are not infringed.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>7. Freedom of Civic People</td>
<td>Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, toilet, changing and resting facilities.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>8. Employment Rights</td>
<td>The factory will make an effort to ensure there is no discrimination. No action by the factory is necessary on this point.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>9. Health and Safety</td>
<td>The factory will ensure that the workplace is safe and that all workers are protected from all forms of danger. No special regulations on overtime of juvenile employees apply to this Code element. The factory will make an effort to ensure that the workplace is safe and that all workers are protected from all forms of danger.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>10. Maternity Leave</td>
<td>The factory will make an effort to ensure that female employees have the right to maternity leave, the right to return to work after maternity leave, and the right to maternity pay.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>11. Pregnancy Testing</td>
<td>No pregnancy testing is required on this factory.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
<tr>
<td>12. Retirement Rights</td>
<td>Employers will not discriminate based on age or marital status when determining retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.</td>
<td>5/26/2006</td>
<td>COMPLETED</td>
<td>N/A</td>
<td>Company Follow up (November 2006)</td>
</tr>
</tbody>
</table>

### Notes
- **Country Law/Legal Reference**: This column refers to legal references from the country's laws that address the FLA Code elements.
- **Target Date**: The date by which the relevant issue needs to be addressed.
- **Completion Status**: Whether the issue has been completed or is ongoing.
- **Documentation**: Details of any follow-up actions or documentation required.
<table>
<thead>
<tr>
<th>FLA Benchmark</th>
<th>Follow up visit (18 April 2005) Status: Corrected.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC Internal audit findings (Optional)</td>
<td>From SGS audit report: 1. “Fire extinguishers were all 6” off the ground and well-marked with red tape. 2. Fire extinguishers were in some production areas were blocked by materials. Fire extinguishers in some production rooms to production. No evacuation plan found in dormitories or canteen. Evacuation plan is difficult to follow and very easy to read. No &quot;you are here&quot; indication. No evacuation or Indicator.</td>
</tr>
<tr>
<td>Type A: combustible materials: wood, cloth, paper and many plastics, Type B: Fires in electrical non-conductivity of the equipment, First aid kit was found not adequately stocked (no maintenance record).</td>
<td>The factory agreed to equip fire extinguishers in all production areas where the electrical non-conductivity of the equipment. The first aid cabinets are fully stocked. The factory will employ, at minimum, one worker certified in first aid to be on hand in case of an emergency, or trained in proper safety, first aid, and evacuation plan found in dormitories or canteen.</td>
</tr>
<tr>
<td></td>
<td>The factory has added large &quot;You are here&quot; signs that meet state regulations. R40 Appropriate evacuation plans were posted on all the factory common rooms.</td>
</tr>
<tr>
<td></td>
<td>The factory has posted all relevant evacuation safety and local labor laws and relevant health and safety evacuation in keeping with the state</td>
</tr>
<tr>
<td></td>
<td>The factory agreed to create fire prevention safety signs pursuant to relevant state laws and regulations. In any case where laws and code cause any potential affection to the operators.</td>
</tr>
<tr>
<td></td>
<td>The factory has posted current information on national and local language or language spoken by majority of the employees.</td>
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</table>
**Monitor's Findings: Noncompliance**

**1. Toilets**
- **Status**: Pending
- **Date**: 9/15/2005
- **Description**: The toilets on upper floors are not working properly due to frequent clogging issues. The factory management must resolve this issue to ensure sanitary conditions and comply with legal standards.

**2. Dorm space**
- **Status**: Pending
- **Date**: 9/15/2005
- **Description**: The workers are not provided with enough space as the dormitories do not meet the legal standards for dormitory buildings. The factory must expand to accommodate the workers or find alternative housing.

**3. Evacuation plan**
- **Status**: Pending
- **Date**: 9/15/2005
- **Description**: The evacuation plans for the dormitories do not meet the legal requirements. The factory must implement proper evacuation plans to ensure the safety of the workers.

**4. Toilets - evacuation plans**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The evacuation plans have been updated and implemented. The factory has also provided additional fire extinguishers and tags for each extinguisher.

**5. Dormitory building 2**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the fire safety measures in Dormitory building 2 by providing additional fire extinguishers and ensuring that the evacuation plans are in place.

**6. Restrooms**
- **Status**: Completed; Pending
- **Date**: 11/17/2005
- **Description**: The factory has taken measures to improve the restrooms by cleaning them more frequently, ensuring that the toilets work properly, and providing an adequate stock of toilet paper.

**7. Toilets**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has addressed the issue of toilets emitting foul odors by having a certified plumber check the plumbing and ensuring that the toilets are clean and clear.

**8. Toilets - water**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has ensured that the water supplies are sufficient and that there is an adequate stock of soap and toilet paper in the restrooms. The factory will make necessary changes to ensure proper sanitation.

**9. Toilets - cleaning**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has increased the frequency of cleaning the restrooms to maintain a clean and safe environment.

**10. Toilets - plumbing**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the plumbing by ensuring that all toilets are in working order and addressing any issues related to plumbing.

**11. Toilets - excrement**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has addressed the issue of excrement in the toilets by cleaning them more frequently and ensuring that the toilets are maintained in a safe manner.

**12. Toilets - evacuation plan**
- **Status**: Completed; Pending
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**13. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**14. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**15. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**16. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**17. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**18. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**19. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.

**20. Toilets - evacuation plan**
- **Status**: Completed
- **Date**: 11/17/2005
- **Description**: The factory has improved the evacuation plans by ensuring that the toilets are clean and clear, and that the evacuation routes are well-maintained.
<table>
<thead>
<tr>
<th>Full Code Compliance item</th>
<th>Area (legal/Reference)</th>
<th>Risk Factor</th>
<th>Company’s Finding: recommendation</th>
<th>Recommendation</th>
<th>Follow-up Date</th>
<th>Update Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>For internal review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Postulated findings: recommendations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
|                            |                        |            | Plan 

**PC Internal audit findings (Optional)**

- **Every new employee is offered a 1500RMB signing bonus.**
- **It is written in the regulation that if the workers provide their own tools, they will be reimbursed by the factory.**
- **The factory will obtain a copy of the fire prevention acceptance certificate.**

**PC Internal audit recommendations:**

- Verify payment of 1500RMB signing bonus.
- Validate that workers are reimbursed for tools.
- Obtain a copy of the fire prevention acceptance certificate.

**PC Internal audit findings (Optional)**

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### Findings

**9. Hours of Work**

According to the Regulations about Employee Work Time (2007), employees shall work 40 hours per week. The Factory shall comply with the applicable law for premium calculation.

According to regulation Article #3 Employees shall work 40 hours per week. However, the total extension in a month shall not exceed thirty six hours. Workers worked for more than 60 hours. Workers worked for more than 60 hours. The factory will review payroll sheets.

**Overtime Limitations**

Article 44. The employing unit shall, according to Article 38 of the People’s Republic of China Labor Law, which requires the employing unit to guarantee the health of workers, shall not require workers to work more than the legal working hours per day. Moreover, the working hours of the employees in any seven-day period shall not exceed 48 hours. The factory has paid all back wages.

**Employee Education and Training**

The factory has not paid all back wages. The factory has paid all back wages. The factory has paid all back wages. The factory has paid all back wages.

**Documents**

The factory will continue to work on decreasing the amount of overtime hours worked by employees in the preceding months. It is necessary for the factory to discover ways to cut down on the amount of overtime each worker takes. The factory MUST keep and maintain records of the overtime sign-up sheets proving that overtime is voluntary. The factory will provide its employees with at least one day off in every seven day period, as mandated by the PRC Labor Law. The factory will provide its employees with at least one day off in every seven day period, as mandated by the PRC Labor Law. The factory will provide its employees with at least one day off in every seven day period, as mandated by the PRC Labor Law. The factory will provide its employees with at least one day off in every seven day period, as mandated by the PRC Labor Law.

**Follow-up**

The factory shall not be required to work more than the normal wages if the extension of working hours is necessitated by its production or business needs. The factory shall not be required to work more than the normal wages if the extension of working hours is necessitated by its production or business needs. The factory shall not be required to work more than the normal wages if the extension of working hours is necessitated by its production or business needs. The factory shall not be required to work more than the normal wages if the extension of working hours is necessitated by its production or business needs.