| No. | Subcontractor Name | Address | Industry | Country | FLA Audit Profile | GSV Audit Profile |SEDEX Audit Profile | SA8000 Certification | ISO | OHSAS | ISO14001 Certification | Other Certification | Supplier Information | Source/Reception | Status | End of Nov'05 | 27-Feb-07 | 2004-Jan

### 1
- **Subcontractor:** Budi Karya Industries
- **Address:** Jalan Permai 63, Kelapa Gading, DKI Jakarta 14230, Indonesia
- **Industry:** Textile
- **Country:** Indonesia
- **FLA Audit Profile:**
  - Date: 2003
  - Result: Non-compliant
  - Action: Corrective Action
- **GSV Audit Profile:**
  - Date: 2003
  - Result: Non-compliant
  - Action: Corrective Action
- **SEDEX Audit Profile:**
  - Date: 2003
  - Result: Non-compliant
  - Action: Corrective Action
- **SA8000 Certification:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **ISO 9001 Certification:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **OHSAS 18001 Certification:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **ISO 14001 Certification:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **Other Certification:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **Supplier Information:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **Source/Reception:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action
- **Status:**
  - Date: 2004
  - Result: Non-compliant
  - Action: Corrective Action

### Risk of Noncompliance

If Not Corroborated,

**Documentation**

**Management Interview**

**Records Review,**

**Sources/**

### Company Follow Up

**Company Follow Up (September 2006)**

**Pending;**

**Company Follow Up (April 2006)**

**Pending;**

### Notes

- The subcontractor has been non-compliant with the FLA, GSV, and SEDEX audit profiles.
- The subcontractor has also been non-compliant with the SA8000, ISO 9001, OHSAS 18001, and ISO 14001 certifications.
- The subcontractor's supplier information and source/reception have also been non-compliant.
- The subcontractor's status is pending corrective action.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Observation</th>
<th>Action</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 27'06</td>
<td>Site visit observed that factory needs to install needle guards &amp; pulley guards.</td>
<td>Machine area found needle guards &amp; pulley guards have been installed using battery power.</td>
<td>documented by PC.</td>
<td>Completed</td>
</tr>
<tr>
<td>Feb 6'06</td>
<td>Site visit showed factory has not established bipartite cooperation institution.</td>
<td>No evidence of bipartite cooperation institution.</td>
<td>拍照显示，尚未建立双边合作机构。</td>
<td></td>
</tr>
<tr>
<td>July 13'06</td>
<td>Document review &amp; machinery maintenance revealed workers not wearing safety equipment.</td>
<td>All safety and medical equipment (such as fire extinguishers, PPE) has been put down in place.</td>
<td>拍照显示，安全和医疗设备（如灭火器，PPE）已下机。</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

- **PPE:** Personal Protective Equipment
- **MSDS:** Material Safety Data Sheet
Government Regulation PER 01/MEN/1998 article 15 stated that if July 13 2006: Interview with outsourced Labor Act UU No.13/2003, regarding the working time chapter X

Feb 6'06 Review document shows that Ongoing

Feb 6'06: Worker interviews revealed that As per last visit, the location of time card The work on Sunday & over 60 hours for the

Miscellaneous OT Compensation 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.

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

a. Approval of the relevant worker/laborers; assigning workers/ labors during overtime work is under obligation execution, which consists of name of the workers/ labors who will

meant in paragraph (2) must prepare list of overtime work

one day off in a week (for the factory applied 6 working days

allowed are 3 hours per day and 14 hours per week.

comes to an end.

chapter IX, regarding working agreement, article 59.6, renewal of

well as payment based on attendance can be made as loose daily

made for period of no longer than 2 years and can only be

(2) Contract agreement prescribed under subsection 1) can be

laws

breaks, which, at a minimum, must comply with local

Overtime hours worked in excess of code standard entitled to at least one day off in every seven day manufacture or, where the laws of such country will

overtime or (b) the limits on regular and overtime

to all eligible workers.

the factory work areas will be posted. All legally

internal healthcare security to local labor

Department

most of period of September 16 to October 15, 2005.- Most sewing workers leader at assembling group 3 section for additional 0.5 hours

October 13, 2005 (time attendance recorded: 6:19 to 17:00); it was only compensated for 1 hour of overtime instead of

October 5, 2005 (time attendance recorded: 6:23 to 17:30);

agreement for overtime work done if they work excessive

Workers:- 20 workers in development section in period of September 19 to 25, 2005

factory provided with snack (bread).

that the overtime work is done on voluntary basis.

Worker interview confirmed implementation

Records review and

Payment to all eligible workers.

Factory to provide overtime form as

scheduled to overtime or (b) the limits on regular and overtime

pending

Ongoing