<table>
<thead>
<tr>
<th>Topic</th>
<th>FLA Audit Profile</th>
<th>FLA Principles of Monitoring IB Create an Informed Workplace:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(a) Describe Freedom of Movement policy ensuring workers privacy for all activities, (b) prohibited movement of workers, (c) describe communication protocols and assign someone accountable for each step of the process.</td>
</tr>
<tr>
<td>3. Child Labor</td>
<td></td>
<td>Management will also seek Salvadoran Ministry of Labor (MOL) written approval for juvenile employment.</td>
</tr>
<tr>
<td>4. Harassment or Abuse</td>
<td></td>
<td>Factory management must verbally train all managers, supervisors, and workers on policy.</td>
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<td></td>
<td></td>
<td>Factory to amend Freedom of Movement policy to indicate workers can eat outside of factory.</td>
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<td></td>
<td></td>
<td>Factory to send policy to all workers informing them of procedures for reporting a grievance.</td>
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<td></td>
<td></td>
<td>Factory management must implement legal specifications regarding the employment of juvenile workers.</td>
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<td></td>
<td></td>
<td>PC compliance staff has conducted and will continue to conduct verification of policy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compliance staff verified that written policy has been distributed to HR and clinic personnel.</td>
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<tr>
<td></td>
<td></td>
<td>Compliance staff verified that training on policy has been provided to all workers.</td>
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<tr>
<td></td>
<td></td>
<td>Workers informed of procedures for filing grievances.</td>
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<tr>
<td></td>
<td></td>
<td>Auditors verified that facility has an Internal Disciplinary Manual (Reglamento Interno de Trabajo), which is provided to workers upon recruitment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FLA Code Of Conduct (COC) not sent to facility.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PC Remediation Plan (August 31 - September 1, 2006) completed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PC Remediation Plan (December 2002) not completed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FLA Remediation Plan (August 31 - September 1, 2006) completed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Target Date 30-Dec-06.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Company Follow Up (Pending).</td>
</tr>
</tbody>
</table>

(Workplace standards orally and through the posting of standards in contractors and suppliers inform their employees about the codes.)
### Remediation Updates

**Management** to reduce the risk of tripping during emergency evacuations by ensuring that aisles are clearly marked. Ironing section exceeded the aisles markings.

**Remediation [Status]**

**June 6, 2007**

**PC Remediation Plan**

At time of follow-up visit there were 4-5 operators in spot cleaning room.

**FLA Benchmark and/or Legal Reference**

Factory management to create a comprehensive machine safety devices plan.

- **June 6, 2007**
- **°C**
- **Local fire department does not issue fire permits. Certificates of fire safety required in the factory.**
- **July 2009 factory visit**

**PC Internal Audit Findings**

**Updates**

- **Fire Safety/Evacuation Procedures**
  - All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent exposure to employees. Such services shall be functional and maintained in an appropriate condition.
  - All facilities including factory buildings, toilets, canteens, kitchens, laboratories, and the sewing area shall be kept clean and safe and be in compliance with applicable H&S laws and regulations. In any case where laws and COC are contradictory, higher standards will be used.
  - Procedures for test and analysis of air quality shall be used. The results of tests and analyses shall meet standards established by applicable laws (policies, MSDS, etc.) shall be made available to workers and management, and to the public if different from local language.

**Fire Safety**

- Cleaning room is too small, requires better ventilation.
- No current fire permit posted.

**Evacuation**

- **Audit** evacuation times should decrease or improve over time and times should not exceed 3 minutes for evacuation. Evacuation times for December drill: 2 minutes, 35 seconds. Continue to perform and analyze evacuations to improve/decrease evacuation time.
- Aisles clear and free from obstruction. H&S Committee regularly performed walk through to ensure that all workers can evacuate quickly and safely. Evacuation times are sufficiently wide for evacuation. H&S team will continue to analyze evacuations to improve/decrease evacuation time.
- Aisles are clearly marked. Ironing section exceeded the aisles markings.

**PC Updates/Follow-up Comments**

- **Fire Safety**
  - Cleaning room is too small, requires better ventilation.
  - No current fire permit posted.

- **Evacuation**
  - Aisles clear and free from obstruction. H&S Committee regularly performed walk through to ensure that all workers can evacuate quickly and safely. Evacuation times are sufficiently wide for evacuation. H&S team will continue to analyze evacuations to improve/decrease evacuation time.
  - Aisles are clearly marked. Ironing section exceeded the aisles markings.

**ALGI Verification**

- Auditors verified that spot cleaning room is not under construction; projected completion date January 30, 2003.
- Management will adjust workstations by December 30, 2002 so that heat temperature inside of the factory is within the specified range. The renovated space will reduce or eliminate the blocked and overcrowded areas.
- Downdraft extraction was not sufficiently strong. Boxes and stacked product: Downdraft extraction was not sufficiently strong.
- Management/maintenance will increase motor capacity for downdraft extraction to improve ventilation. Management will request air quality testing from independent testing agency.

**Factory Response (Optional)**

- Management plans to place racks outside spot cleaning room to decrease overcrowding. Area was crowded with boxes and stacked product.
- Management will request air quality testing from independent testing agency.
- Management will increase motor capacity for downdraft extraction to improve ventilation. Management will request air quality testing from independent testing agency.

**Company Follow Up**

- Downdraft extraction was not sufficiently strong. Boxes and stacked product: Downdraft extraction was not sufficiently strong.
- Management/maintenance will increase motor capacity for downdraft extraction to improve ventilation. Management will request air quality testing from independent testing agency.
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Based on OSHA standards for number of toilets in table below, there

Cotecna Findings

No update provided by factory. To follow by PC during January 2008 visit.

June 6, 2007

[Status]

Company Follow Up

No action required.

FLA Code Benchmark VI. Freedom of Association and

Documentation

July 2009 factory update

: Enhanced policies and

PC Internal Audit Findings

Union Harassment

Union Membership

Bathrooms

Sanitation Kitchen/Canteen/Toilets

FLA Code/Compliance

Issue

of association. When union officers are dismissed, demoted or

threaten workers because of their exercise of the right to freedom

previous authorization. The right to freedom of association begins

plumbing, electrical, and lighting services shall be provided and

management posted signs and made all employee announcements

Oasis bottles and water dispenser tubing once a week. Plant

Health Organization (WHO) and EPA standards for drinking water. As a

Salvadorena Obligatoria Para La Calidad Del Agua Potable, World

to be performed in various locations in plant every month going forward

111-150                                                               6

36-55                                                                  3

16-35                                                                  2

ROA/FOA. A coordinated training on ROA and COCs is planned for May

an effective channel to voice grievances.  adidas and Reebok provided

explanation and understood meaning of codes. Worker management

they would not obstruct workers from organizing. Management has

not want to or feel need to be associated with union. Half of workers

is an effective channel to voice grievances.

Interviews will be performed to ensure that communications group

module to the committee.

US EPA National Primary Drinking Water Standards. Forward

water quality testing by December 10. Augment current testing

meetings. Committee should verify water quality testing and

[filtered water] cleaning on file. 3) Hold regular H&S Committee

Company. Keep results on file. Forward (fax) results to SOE

1) Bi-monthly drinking water quality test will be performed by 2

tests for December 2002 from independent lab found

magnesium, calcium). 2) Weekly log of [filtered water] cleaning

Tests for December 2002 from independent lab found
Remediation Updates

June 6, 2007 The management has polarized bathroom glasses for privacy.

New Finding: Voluntary overtime policy created and posted. Workers trained in policy. As of June 6, 2007 as a result of a re-hiring practice by which [factory] will hire more workers.

July 2009 factory visit

1) The employer will be required to provide all legally mandated benefits to all eligible workers.

Company Follow Up

June 6, 2007

Remediation

June 6, 2007

Documentation

Security guards receive a flat salary regardless of hours worked.

Updates

PC Internal Audit Findings

The compensation of a day of rest on 2 occasions mentioned as workers in plant can clearly see them.

15-Dec-06

ALGI Verification

February 2010

Wayne's Audits

15-Dec-06

Security guards receive a flat salary regardless of hours worked.

15-Dec-06

ALGI Verification

Currently, this factory does not use any subcontractors for overseeing subcontractors' compliance performance.

Factory has polarized bathroom windows, providing privacy.

15-Dec-06

ALGI Verification

Management to assess other possibilities, i.e. paint bathroom glasses, so that workers in packing and cleaning area regularly work an average of 72 hours a week. OT hours are not compensated.

Monitors verified that there is a policy stating that overtime is voluntary and that workers sign a voluntary sheet whenever they engage in OT.

Management to retroactively pay any unpaid wages or overtime rates that workers who work on a Sunday, receive a compensatory day off on the following week.

Workers who work on a Sunday, receive a compensatory day off on the following week.

Management to update its wage and benefits policies, providing information on notice board and provided employees' information upon request.

Additionally, security guards continue to work over 60 hours/week. However, no other workers seen to work for OT as they earn above the minimum wage. Factory's security guards are considered non-exempt workers, and as such factory argues they don't qualify for OT.

Management to apply adidas Standards of Engagement (SoE) to contracts with subcontractors and contracts with subcontractor agencies in compliance with factory's policies and procedures.

Management to ensure security agencies used by your factory are meeting its commitments.

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