As per worker interviews, they stated:

1. Policies are not updated yet. Factory will have to update policies soon. FLA Principle of Monitoring, Obligation of Companies:
   - Management
   - Factory management to conduct periodic checks of the facility to follow the FLA’s principles, and to ensure that their employees have no fears of repercussions from management for reporting violations.

2. Forced Labor
   - 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 for completing mandatory education.
   - There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

3. Health and Safety
   - Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.
   - All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

4. Child Labor
   - 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 for completing mandatory education.
   - There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

5. Freedom of Association
   - Every employee shall have the right to freely join and belong to trade unions of their choice.
   - No employee shall be subject to any form of discrimination by reason of their union membership or activities.

6. Production Process
   - Evidence of production processes was not found at the facility. adidas will request that a report be conducted by an independent third party as soon as possible.

7. Negotiated Agreements
   - During worker interviews, adidas provided evidence of negotiations for union representation in the facility. adidas plans to continue negotiations until the union is represented in the facility.

8. Evidence of Committee
   - Evidence of an independent committee was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

9. Management
   - adidas is in the process of setting up the union in early 2008. adidas will continue to negotiate with the local ACFTU.

10. Facilities
    - The facility is unionized and there is no independent worker representation. The facility is not unionized and there is no independent worker representation.

11. Government
    - The government has not introduced any new regulations that may have an adverse effect on labor practices.

12. Legal Compliance for Juvenile Workers
    - The facility does not have internal policy for hiring of juvenile workers. adidas will encourage the facility to create a policy that will ensure all juvenile workers are hired in accordance to local law (registration to labor bureau). In addition, factory will create a hiring policy that will ensure all juvenile workers will be hired in accordance to local law (registration to labor and will ensure that the local labor bureau refused to do the regulation. adidas will encourage the facility to ensure that all juvenile workers will be hired in accordance to local law (registration to labor bureau). adidas will also encourage that the facility ensures that all juvenile workers will be hired in accordance to local law (registration to labor bureau).

13. Evidence of Compliance
    - Evidence of noncompliance was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

14. Evidence of Noncompliance
    - Evidence of noncompliance was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

15. Evidence of Improvement
    - Evidence of improvement was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

16. Evidence of Leadership
    - Evidence of leadership was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

17. Evidence of Capacity
    - Evidence of capacity was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

18. Evidence of Labor Rights
    - Evidence of labor rights was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

19. Evidence of Labor Rights
    - Evidence of labor rights was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.

20. Evidence of Labor Rights
    - Evidence of labor rights was not found at the facility. adidas will request that an independent third party report be conducted as soon as possible.
### FLA Code/Compliance Issue

**Description:** Of the eight indicators, six were found to be in violation.

**IEM Findings:**
- **Workers were not paid for overtime or holiday hours:** Over 17 out of 20 employees sampled worked an average of 60 overtime hours during a week.
- **Workers were not paid for work stoppage days:** From January to May 2006, the factory had a total of 60 stoppage days. Of these, 30 were not compensated due to work stoppage, amounting to 600 paid holidays it failed to compensate workers with in 2006.
- **Workers were not paid for holidays:** As per review of payrolls for January to May, workers were not paid regular wage during the legal holidays as mandated social activities laborers participate in.
- **Back-payments for non-payment:** If Not
  - **Workers were not paid for public holidays:** During May 2006, workers were not paid regular wage during the legal holidays as mandated social activities laborers participate in.
- **Workers were not paid for public holidays:** During May 2006, workers were not paid regular wage during the legal holidays as mandated social activities laborers participate in.
- **Workers were not paid for work stoppage days:** From January to May 2006, the factory had a total of 60 stoppage days. Of these, 30 were not compensated due to work stoppage, amounting to 600 paid holidays it failed to compensate workers with in 2006.
- **Workers were not paid for holidays:** As per review of payrolls for January to May, workers were not paid regular wage during the legal holidays as mandated social activities laborers participate in.

**Follow-Up Actions:**
- **Workers were not paid for overtime or holiday hours:** Remediation action, (a) management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs. 2. In addition, factory management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs. 2. In addition, factory management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs.

**Timeframe:**
- **Workers were not paid for overtime or holiday hours:** 2007-01-31 back-payment before Chinese New Year.
- **Workers were not paid for work stoppage days:** However, factory has agreed to complete back-payment before Chinese New Year.
- **Workers were not paid for holidays:** However, factory has agreed to complete calculation, this is not properly followed up.

**Verification:**
- **Workers were not paid for overtime or holiday hours:** Remediation action, (a) management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs. 2. In addition, factory management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs.

**Source:**
- **Workers were not paid for overtime or holiday hours:** Remediation action, (a) management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs. 2. In addition, factory management to pay workers at least the minimum wage during low season when there is not enough work or when a work stoppage occurs.

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