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<td>2. Forced Labor</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 for completing compulsory education in the country of manufacture where such age is higher than 15.</td>
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<td>Document review</td>
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<td>3. Nondiscrimination</td>
<td>Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.</td>
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<td>4. Harassment or Abuse</td>
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Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.

Employers will recognize and respect the right of employees to freedom of association and collective bargaining.

Interference/Elections

Employers shall not interfere with workers or their representatives and conduct their activities without employer interference. Workers' representatives shall have the right to be heard and to be consulted on all aspects of work and the workplace.

FLA Code Compliance

The FLA code of conduct prohibits harassment, discrimination, interference with workers or their representatives and conduct their activities without employer interference. Workers' representatives shall have the right to be heard and to be consulted on all aspects of work and the workplace.

Company Follow Up

In December 2003, the FLA conducted an audit of the company and found that the factory was in compliance with the FLA code of conduct. The company has since taken steps to ensure that all workers are aware of their rights and are able to exercise them without fear of retaliation.

Documentation

The factory has documentation showing that all workers are aware of their rights and are able to exercise them without fear of retaliation.

Best Practice

The company has implemented a system to ensure that all workers are aware of their rights and are able to exercise them without fear of retaliation.

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<td><strong>Overtime Limitations</strong></td>
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<td>According to Article 41 of Labor Law of the People's Republic of China, the employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hours are required to be limited to no more than one hour per day and thirty-six hours per month. The extended working hours are allowed only in cases of special reasons, under the condition that the health of laborers is guaranteed.</td>
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<td><strong>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 law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.</strong></td>
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<td><strong>Workers may work more than 60 hours per week during peak seasons.</strong></td>
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<td><strong>Inconsistent working hour records from cross-checking:</strong></td>
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<td><strong>Insufficient compensation for overtime work done during public holidays/Correct overtime rates not applied:</strong></td>
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<td><strong>Sunday work performed; workers do not receive one day off in 7 working days.</strong></td>
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<td><strong>Factory shall develop and implement a tracking system on all working hours of each worker and make sure the number of weekly working hours is not in excess of 60 hours/week under normal working conditions.</strong></td>
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<td><strong>Workers are paid for all hours worked in a workweek.</strong></td>
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<td><strong>Calculation of hours worked must include all time that the employer allows or requires the worker to work.</strong></td>
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<td><strong>The notice beside swiped card machine indicates that workers must swipe the card 13 minutes before working, and must finish swiping card 13 minutes after working.</strong></td>
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<td><strong>Factory shall post a clarification notice in public and explain to workers in detail when and how to punch time cards. If factory policy includes a certain number of minutes of tolerance to allow for all workers to punch in, factory should state policy clearly and inform all workers of the policy. Workers shall not be required to punch in prior to or after regular working hours unless they are compensated with overtime pay.</strong></td>
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<td><strong>Factory has posted a clarification notice and provided training to workers in detail on the policies and procedures for punching time cards. Workers are not be required to punch in prior to or after regular working hours unless they are compensated with overtime pay.</strong></td>
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### Overtime Limitations

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**Exception:**
- **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 law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.**

The factory adopts comprehensive working hour system, which is 24 hours per day, but the actual working hours of workers per year is 2767, which exceed the legal limitation.

**Workers may work more than 60 hours per week during peak seasons.**

**Inconsistent working hour records from cross-checking:**

**Insufficient compensation for overtime work done during public holidays/Correct overtime rates not applied:**

**Sunday work performed; workers do not receive one day off in 7 working days.**

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**According to management interview and review of factory policy, factory is tracking and will control the number of weekly working hours to not exceed 60 hours/week under normal working conditions.**

Workers are paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.

The notice beside swiped card machine indicates that workers must swipe the card 13 minutes before working, and must finish swiping card 13 minutes after working.

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