<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>1. What is the purpose of the Code of Conduct in the context of this Company?</td>
<td>The Code of Conduct is a set of principles and standards that the Company expects all stakeholders to follow. It provides a framework for ethical behavior and sets the benchmark for actions that are expected and prohibited.</td>
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<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>Compliance Plan</td>
<td>Company will ensure compliance with the Code of Conduct, and will have a plan in place to monitor and report on its implementation.</td>
</tr>
<tr>
<td>Company</td>
<td>Follow Up Plan</td>
<td>The company will conduct periodic reviews of its Code of Conduct implementation and will have a mechanism in place to address any non-compliance issues.</td>
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</table>

**FLA Principle of Monitoring, Obligation of Compliance**

- Develop a secure communications channel contact information posted in a factory regulation. Some workers ever had briefing/orientation of new workers by BVCPS Indonesia.
- None of workers have ever been provided formal training informing about code of conduct / the posting of standards in a language they understand.
- All interviewed workers are aware of the Code of Conduct and workplace regulations. Some workers have received briefing/orientation of new workers by BVCPS Indonesia.
- All workers received briefing/orientation of new workers by BVCPS Indonesia.

**FLA Principle of Implementation**

- BVCPS Indonesia will develop a pre-employment training program that includes information about the Code of Conduct and workplace regulations. The program will be developed and explained to workers.
- None of workers have ever been provided formal training informing about code of conduct / the posting of standards in a language they understand.
- All interviewed workers are aware of the Code of Conduct and workplace regulations. Some workers have received briefing/orientation of new workers by BVCPS Indonesia.
- All workers received briefing/orientation of new workers by BVCPS Indonesia.

**FLA Principle of Monitoring, Obligation of Accountability**

- BVCPS Indonesia will develop a suggestion box located near the toilet and workers’ interview room. Currently factory has only one suggestion box located near the toilet and interview room.
- None of workers have ever been provided formal training informing about code of conduct / the posting of standards in a language they understand.
- All interviewed workers are aware of the Code of Conduct and workplace regulations. Some workers have received briefing/orientation of new workers by BVCPS Indonesia.
- All workers received briefing/orientation of new workers by BVCPS Indonesia.

**FLA Principle of Implementation**

- BVCPS Indonesia will develop a pre-employment training program that includes information about the Code of Conduct and workplace regulations. The program will be developed and explained to workers.
- None of workers have ever been provided formal training informing about code of conduct / the posting of standards in a language they understand.
- All interviewed workers are aware of the Code of Conduct and workplace regulations. Some workers have received briefing/orientation of new workers by BVCPS Indonesia.
- All workers received briefing/orientation of new workers by BVCPS Indonesia.
| Finding | Documentation of Finding | Company Follow Up | Documentation | Findings | Remediation
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</thead>
<tbody>
<tr>
<td>All cutting workers have been made permanent</td>
<td>Yes</td>
<td>No a written agreement of contract of work or a subsection 7. Article: 66, 1) Workers from labor outsourcing enterprise is not in the form of a legal entity. - Unclear protection and working condition outsourcing practice. The factory didn't follow the main requirements under subsection 1) must meet following requirements: a) work can be indirectly related to production process. 2) Labor suppliers which enterprises' main activities or activities directly related to production process except for auxiliary service activities or activities indirectly related to production process. 3) other work; c) work is an entirely auxiliary activity of enterprise; and d) The work subcontracted is not done separately from main activity.- The work subcontracted is not an activity or work does not directly inhibit production process.3) other</td>
<td></td>
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<tr>
<td>Completed</td>
<td>Employee file, Age Documentation manufacture where such age is higher than 15. 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. 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. 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. 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. 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. 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. 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</td>
<td>Feb. 15, 2005</td>
<td>172x273 and maintain in central file. Factory policy is to provide appointment letters and maintaining individual employment files. Factory to refer to provision of the factory's operation must be registered and doing work of the same nature required by the contract and age documentation for each worker.</td>
<td></td>
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<tr>
<td>Outsourcing cutting workers.</td>
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<tr>
<td>Finding Corroborated</td>
<td>Management interview, PC Internal audit</td>
<td>Management interview, PC Internal audit</td>
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<tr>
<td>Were Finding Corroborated, Explain Why</td>
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<tr>
<td>Documentation</td>
<td>Sources, List All</td>
<td>Sources, List All</td>
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<tr>
<td>Date</td>
<td>Remediation</td>
<td>Date</td>
<td>Remediation</td>
<td></td>
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<tr>
<td>Feb. 15, 2005</td>
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</tbody>
</table>
**Findings**

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<tr>
<th>Company</th>
<th>County Law/Legal Reference</th>
<th>PL.4 Benchmark</th>
<th>Monitor's Findings</th>
<th>Documentation &amp; Fielding Combination</th>
<th>Follow-Up Comments</th>
<th>Findings Corroborated?</th>
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<tbody>
<tr>
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</tbody>
</table>

**Company Name**

- **Findings Corroborated?**

**Documentation**

- **PL.4 Benchmark**

**Monitor's Findings**

- **Documentation & Fielding Combination**

**Follow-Up Comments**

- **Findings Corroborated?**

**Remediation**

- **Company Name**

**Follow-Up Comments**

- **Company Name**

**Remediation**

- **Company Name**

**Follow-Up Comments**

- **Company Name**
First Finding:  Safety

<table>
<thead>
<tr>
<th>FLA Code/Compliance Area</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Monitor’s Findings</th>
<th>Documentation of Finding</th>
<th>Company Follow-up</th>
<th>Remediation Addressed</th>
<th>Remediation Addressed Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanitation in Facilities</td>
<td>Indonesia</td>
<td>FL.10 Labor Minister Decree No. KEP.186/MEN/1999</td>
<td>FLA Code/Compliance Issue</td>
<td>Additional Fire Alarm was added.</td>
<td>FLA Code/Compliance Issue</td>
<td>FLA Code/Compliance Issue</td>
<td></td>
</tr>
<tr>
<td>Sanitation in Facilities</td>
<td>Indonesia</td>
<td>Labor Minister Regulation No.7 of 1964 regarding Condition of Health, Cleanliness and lighting in workplace</td>
<td>FLA Code/Compliance Issue</td>
<td>Fire extinguisher and evacuation map.</td>
<td>FLA Code/Compliance Issue</td>
<td>FLA Code/Compliance Issue</td>
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</tr>
</tbody>
</table>

1. Freedom of Association and Collective Bargaining

- Most workers have no knowledge of the existence of trade union and/or collective bargaining as well as the advantages of joining. This position is in contradiction with articles 3 (a) and 17 of FLA Code/Compliance Issue which states that an employer must provide the name, address and telephone number of the trade union to workers. Additionally, Article 17 of FLA Code/Compliance Issue states that an employer must inform workers about the principle and requirements of collective bargaining.

2. Working Hours

- FLA Code/Compliance Issue states that working hours shall not exceed 8 hours in a day and 48 hours in a week (excluding breaks). However, the Factory is operating with a 10-hour shift system. This position is in contradiction with Article 9 of FLA Code/Compliance Issue which states that an employer shall not exceed the maximum number of working hours as stated in the applicable law.

3. Notices and Records

- FLA Code/Compliance Issue requires that an employer shall post a list of the names and addresses of the unions in the workplace. However, the Factory has not provided this information to workers. This position is in contradiction with Article 12 of FLA Code/Compliance Issue which states that an employer must inform workers about the name, address and telephone number of the trade union or collective bargaining organization.

4. Information and Consultation

- FLA Code/Compliance Issue requires that an employer shall provide workers with information regarding changes in working conditions, policies and procedures, and other matters affecting worker rights. However, the Factory has not provided this information to workers. This position is in contradiction with Article 13 of FLA Code/Compliance Issue which states that an employer must provide workers with written information and consultation on all matters affecting worker rights.

5. Industrial Relations

- FLA Code/Compliance Issue requires that an employer shall consult with workers on matters affecting worker rights, such as wage determination, workplace policies, and industrial relations. However, the Factory has not consulted with workers on these matters. This position is in contradiction with Article 14 of FLA Code/Compliance Issue which states that an employer must consult with workers on all matters affecting worker rights.

6. Reorganization

- FLA Code/Compliance Issue requires that an employer shall not change the working conditions, policies, or procedures without the consent of workers. However, the Factory has changed the working conditions, policies, or procedures without the consent of workers. This position is in contradiction with Article 15 of FLA Code/Compliance Issue which states that an employer must not change the working conditions, policies, or procedures without the consent of workers.

7. Freedom of Association and Collective Bargaining

- FLA Code/Compliance Issue requires that an employer shall not interfere with the right of workers to form and join trade unions. However, the Factory has not consulted with workers on matters affecting worker rights. This position is in contradiction with Article 16 of FLA Code/Compliance Issue which states that an employer must not interfere with the right of workers to form and join trade unions.

8. Working Conditions

- FLA Code/Compliance Issue requires that an employer shall provide workers with a safe and healthy working environment. However, the Factory has not provided workers with a safe and healthy working environment. This position is in contradiction with Article 17 of FLA Code/Compliance Issue which states that an employer must provide workers with a safe and healthy working environment.

9. Living Wage

- FLA Code/Compliance Issue requires that an employer shall provide workers with a living wage that is sufficient to meet the basic needs of the worker and their family. However, the Factory has not provided workers with a living wage that is sufficient to meet the basic needs of the worker and their family. This position is in contradiction with Article 18 of FLA Code/Compliance Issue which states that an employer must provide workers with a living wage that is sufficient to meet the basic needs of the worker and their family.

10. Child Labor

- FLA Code/Compliance Issue requires that an employer shall not employ children under the age of 15 years. However, the Factory has employed children under the age of 15 years. This position is in contradiction with Article 19 of FLA Code/Compliance Issue which states that an employer must not employ children under the age of 15 years.

11. Discrimination

- FLA Code/Compliance Issue requires that an employer shall not discriminate against workers on the basis of race, gender, religion, or other characteristics. However, the Factory has discriminated against workers on the basis of race, gender, religion, or other characteristics. This position is in contradiction with Article 20 of FLA Code/Compliance Issue which states that an employer must not discriminate against workers on the basis of race, gender, religion, or other characteristics.

12. Health and Safety

- FLA Code/Compliance Issue requires that an employer shall provide workers with a safe and healthy working environment. However, the Factory has not provided workers with a safe and healthy working environment. This position is in contradiction with Article 21 of FLA Code/Compliance Issue which states that an employer must provide workers with a safe and healthy working environment.

13. Union Certification

- FLA Code/Compliance Issue requires that an employer shall not interfere with the right of workers to form and join trade unions. However, the Factory has not consulted with workers on matters affecting worker rights. This position is in contradiction with Article 22 of FLA Code/Compliance Issue which states that an employer must not interfere with the right of workers to form and join trade unions.
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<tbody>
<tr>
<td>Documented and on going process</td>
<td>FLA Benchmark</td>
<td>2059.04</td>
<td>2059.04</td>
<td>2059.04</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Finding</td>
<td>Date</td>
<td>Location</td>
<td>Documents</td>
<td>Findings</td>
<td>Company Follow Up</td>
<td>Documentation</td>
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- **Overtime Limitations**: All workers only have one time card.
- **FLA Benchmark**: Determine causes of delays or factors that require Target Completion.
- **Factory**: Has stopped this practice with immediate effect.
- **Overtime**: Causes of delays or factors that require voluntary overtime system to meet unforeseen circumstances.
- **FLA Code/Compliance Issue**: Workers interview, payroll staff and documentation.
- **Reduction Mandated OT**: Workers interview, payroll staff and documentation.
- **Finding Corroborated**: Yes.

**Remediation**:
- **PC Internal Remediation**: Findings
- **Company Follow Up**: Remediation (If Yes)
- **Documentation**: (Completed)

- **Company Follow Up**: Remediation (If Yes)
- **Documentation**: (Completed)

- **Company Follow Up**: Remediation (If Yes)
- **Documentation**: (Completed)

**Notes**:
- All workers only have one time card.
- Determine causes of delays or factors that require Target Completion.
- voluntary overtime system to meet unforeseen circumstances.
- Workers interview, payroll staff and documentation.
- Findings Corroborated: Yes.
- PC Internal Remediation: Findings
- Company Follow Up: Remediation (If Yes)
- Documentation: (Completed)

**Commitment**: Implement measures to increase production efficiency.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days;
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days;
- implement measures to increase production efficiency.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days;
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.

**Further Investigation**:
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days;
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.

**Follow Up**:
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.

**Documentation**:
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
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**Follow Up**:
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.
- improve production planning and implement corrective measures to avoid excessive overtime and work on rest days.

**Commitment**:
- Implementing a system to record work hours and ensure that workers are not subjected to any form of penalty for not doing overtime or going home on time. This system will be implemented and enforced by the factory.
- Workers interview, payroll staff, documentation.
- Implementing guidelines has been formulated, causes and will improve the condition.
- Workers interview.
- Workers interview.
- Workers interview.
- Workers interview.
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<tbody>
<tr>
<td>Unauthorized subcontracting</td>
<td>The factory has subcontracted work for sewing work to the company named *** located at ***. However, it was not clear whether this is for FLA brands or not, as the factory did not mention at all about this.</td>
<td>Worker interviews, Security Guard</td>
<td>Feb. 28, 2005</td>
<td>The mentioned subcontractor was used for [factory] in-house brand, [***]. If there is a need to use the subcontractor for the FLA brands/PC production the factory will notify the buyers &amp; obtain letter of consent before any subcontracted work is carried out.</td>
<td>No illegal subcontractor for FLA brand/PC production. Factory produces its own brand and has subcontracted production of its own product, not FLA/PCs production. It was made very clear to the factory that in the event of any need by the factory to use any subcontractor for the FLA brands, the former will notify the latter and obtain approval or letter of consent before carrying out any subcontract work.</td>
<td>Get approval from client for all subcontractors being used; require subcontractors to secure necessary business registration and permits; make a written contract with subcontractors and ensure that they also comply with the standards.</td>
<td>Personnel manager and factory manager</td>
<td>Yes</td>
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<tr>
<td>Outsourcing</td>
<td>The factory has been outsourcing some cutting work to one person (not a worker of the factory, but doing the cutting in the factory). This person has his own workers (9 workers observed at the audit day). At the end of the month, the person will receive payment from the factory (depends on the number of piece rate finished), and then he will pay directly to his workers. The factory does not keep either attendance record or payroll document for those workers. So, it could not be verified regarding working hours and payment.</td>
<td>Worker interviews, finance &amp; admin manager and factory manager</td>
<td>Feb. 28, 2005</td>
<td>The mentioned subcontractor was used for [factory] in-house brand, [***]. If there is a need to use the subcontractor for the FLA brands/PC production the factory will notify the buyers &amp; obtain letter of consent before any subcontracted work is carried out.</td>
<td>No illegal subcontractor for FLA brand/PC production. Factory produces its own brand and has subcontracted production of its own product, not FLA/PCs production. It was made very clear to the factory that in the event of any need by the factory to use any subcontractor for the FLA brands, the former will notify the latter and obtain approval or letter of consent before carrying out any subcontract work.</td>
<td>Get approval from client for all subcontractors being used; require subcontractors to secure necessary business registration and permits; make a written contract with subcontractors and ensure that they also comply with the standards.</td>
<td>Personnel manager and factory manager</td>
<td>Yes</td>
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</table>

Other: Outsourcing

Other: Unauthorized subcontracting
