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<tr>
<td>1. Code Awareness</td>
<td>FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.</td>
<td>FLA code posted in facility, but not posted to subcontractors, not in subcontracting act, and not followed.</td>
<td>Prior to this IEM, PC found that factory engaged sewing subcontractors for peak production period during November 2006 audit. PC has worked with supplier to ensure that PC’s Code of Conduct is posted and communicated to workers in all sewing facilities. PC will make arrangements to have these subcontractors audited by a third-party auditor.</td>
<td>5/15/2007</td>
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<td>2. Forced Labor</td>
<td>There will be no use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.</td>
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<td>3. Child 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>4. Harassment or Abuse</td>
<td>Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.</td>
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<td>5. Non-discrimination</td>
<td>No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.</td>
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<td>6. Health and Safety</td>
<td>Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.</td>
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**Personal Protective Equipment (PPE)**

- **Article 77**: employers are obliged to take all measures to make available all equipment required to ensure workers' health and safety at workplaces, and the workers are to comply with such measures as taken for labor health and safety.

- **Implementate**
  - Workers shall wear appropriate protective equipment such as gloves, eye protection, hearing protection, respiratory protection, etc. to prevent unsafe exposure such as inhalation or contact with solvent vapors, noise, dust, etc. to hazardous elements including medical waste.
  - Although there were guards on sewing machines, workers were not using them. Also, available dust masks were not used.

- **Chemical Management**
  - **Regulation**
    - MSDS for Silkon spray was not available and translated into Turkish, although danger was written on the can.
    - MSDS should be obtained, translated, and posted. Necessary trainings should be given.

- **Sanitation in Dining Area**
  - All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.
  - 6-months’ porter screening of kitchen workers not done. Same slippers used in kitchen and outside kitchen. Food samples not kept for 72 hours as evidence against any microbiologic contamination.
  - 6-months’ porter screening of kitchen workers not done. Same slippers used in kitchen and outside kitchen. Food samples not kept for 72 hours as evidence against any microbiologic contamination.

- **Other**
  - Periodic earthing test not done every year. Accident reporting and evaluation system for prevention and repetitive occurrence, except for accidents needed to be reported to social security offices.
  - Periodic earthing test must be done every year. Accident reporting and evaluation system for prevention must be established and records must be kept.

**Wages and Benefits**

Employers will recognize and respect the right of employees to freedom of association and collective bargaining.
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**Accurate Benefit Compensation**


Earnings Taken as Basis for Contributions. Article 77, gross total amount of the following earnings shall be taken as a basis for calculating contributions payable in month by insured person and employer: a) wages insured person is entitled to receive for month in question and b) any bonuses, gratuities, or other similar payments made to insured person during month in question.

All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled. When calculating seniority benefit given at termination, all social benefits given to worker should be accounted. Observed calculations show no allowance given for service and lunch.

PC will work with factory management to make sure that all seniority calculations are done properly.

**FLA Benchmark**

Noncompliance

Sources/ Documentation

PC Internal Audit Findings (Optional)

PC Remediation Plan

Target Completion Date

Factory Response (Optional)

Company Follow Up

Documentatio n

Status

FLA Code/Compliance Issue

Country Law/Legal Reference

FLA Benchmark

Noncompliance

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Status

**9. Hours of Work**

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.

There are excessive OT hours during peak months, mainly cutting workers, because they are also preparing work for subcontracted sewers. OT hours must not be more than 270 hours; [#] workers OT hours was 990 hours in 11 months.

PC will work with factory to make sure that overtime hours do not exceed legal limits. Factory should find ways of distributing the additional workload during peak periods.

4/15/2007

Managers are instructed to observe and control OT hours not to exceed legal limits. We plan to distribute the additional workload during peak periods.

Completed 1/15/07

**10. Overtime Compensation**

Miscellaneous

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 laws of such country will not limit hours of work, regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least 1 day off in every 7-day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required 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.