Sri Lanka	
010270355E	
T-Group Solutions Pvt. Ltd.	
August 8 - 9, 2006	
Nike, Inc.; adidas AG	
818	
Knit Sportswear, Intimate Wear, Underwear, Skirts	
Knitting, Dveing, Sewing, Finishing, Packing	
	010270355E T-Group Solutions Pvt. Ltd. August 8 - 9, 2006 Nike, Inc.; adidas AG 818 Knit Sportswear, Intimate Wear, Underwear, Skirts

addiss Commert. In 2008 the addiss-Choop along with other FLA Participating Companies created and delivered a remediation plan to address the noncompanies found by this ESE. Netweet, in Segmenter 2012 internship with the factory model due to production intelled reseauce. Prior to the planting of process, SEA had conducted regular modelizing and intensive engagement with the factory. Based on the Int'l Cystellar 2017, invendedation of 3 based had been completed, while the status for 2 other factors were organize and needed faither mornising by other PC and processing the status of the status was seen organized and needed faither mornising by other PC appointment SeA for the factors yet appear, and exact for impact the more officers of the factory appointment SeA for the factory's appear, and exact for impact the mornising or processing the most processing and the most processing and the seal of the processing and the section of the processing and the processing and the section of the processing and the mornising of the processing and the processing and

Number of workers	818			approximately 3% of the factory's												
Product(s)	Knit Sportswear, Intimate Wear	, Underwear, Skirts		approximately 5 % of the factory of	a capacity, as a result, in	to impact to the work	ecice or the naciony a	1								
Production processes	Knittina, Dveina, Sewina, Finis															
				IEM Findings							Remediation			(Status)	Updates	
FLA Code/Compliance issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources, Documentation	Notable Features	PC Internal Audit Findings (Optional)	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up	Documentation	Completed, Pending, Ongoing	Company Follow Up (May and October 2007)
1. Code Awareness Code Postingfinformation		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written Workplace Standalds. Formally convey those standards to Company factories as well as to iterases, contractors and suppliers.		adidas' Code of Conduct (COC) poster posted outside workers' tocker rooms on ground floor is in English.		Finding was incriminating.	visual observation			ladidus Group (for both adidus and Reebolk brands) will have a new COC titled Windplace Standards. It is now being finalized and will be provided to all factorises once compliated, adidus is planning to other its new Yorksplace Standards COC in the botal language as well, but this may not happen until February or Marich 2007.	January 1, 2007				Ongoing	addis AC Thas finalized new "Vioriginize Bisindards." The new Workplace Bisindards have been provided to factory in French workplace Standards are currently being ranslated and will be submitted to storcy upon complision in June-July 2010. <u>Chocker 2007</u> . Workplace Standards and Open Lotter in local tactories has been conducted in September 2007. Factory's follow up by posting Open Letter in local language for workers.
Worker/Management Awarteness of Code		FLA Principle of Membering, Distagation of Companies: Errors that all Company tectories as well as contractors and supplies reform that well as contractors and supplies reform that and through the position of supplies and and through the position of standards in a portificate place (in the local languages exposen by employees and managers) and incidentals order definition and the properties about the standards on a regular closel.		Though COC posters are posted in factory, they have not been appropriately communicated to the employees.			worker and management interviews		FCS have trained management on CCC, and in their, request Exercity to provide staining to workers on code elements at tradection and at- tivation of their control of their control of their control of their control of their control of their databases. One control of their control of their databases and training uses given to all workers as databases and training uses given to all workers as separately what Nike or addes or Resides Codes contrain. Factory backbook control relevant bactory proficies, rules and regulations. Moscouri, containing all WRAP principles, with below covers all code elements. Accommend training covers all code elements. Accommend training March as also provided on some (but training March	periodic in-house training on code elements and other t labor practices to both existing and new workers (last training done March 2006). 3) All trainings must be documented with supporting training documentation such	Factory agreed to complete this by December 1, 2006.				Pending	The list designate occurring in the factory, frainting was prosposed to an elimptomize 2007, England 2007. The restly of virtualization and the second of th
Confidential Noncompliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communication of Companies: Develop a secure communication channel, in a manner appropriate to the culture and situation, to enable Company enripleyees and employees of contraction and suppliers to report to the Company on noncompliance with the Workplace Standards, with security that they shall not be purished or prejudiced for doing so.	No secure and confidential channel for reporting issues of noncompliance have been initiated by adides.	Reabok COC poster has contact information; however, the reason for providing this information has not been explained to employees.		Finding was incriminating (adidas).	visual observation; worker and management (Reebolk) interviews			The COC septains in detail the instances when an employee should contact the Reabel expressoration. Code is gosted in prominer places in the factory. Code is gosted in prominer places in the factory. Details of the new addice Gloup. Whopitace Standards." COC (for both addise and Reabelk brands) is currently under development.					Ongoing	1) In addition to Workplace Bandanda, addissa Group will provide to factory and Topolace Latifor the worksets explaining record margin between Restock and addisso Group, now Workplace Standandard contact inferences on PCTs, completed learning 1, 2000 and contact inferences on PCTs, and the second contact inferences on PCTs and the second contact inferences on PCTs and the second contact inference and contact inferences on PCTs and the second contact in accessible areas for workers to review, and to provide vertical training on Workplace Standands as part of the factory is HR Management training.
2. Forced Labor There will not be any use of forced la	bor, whether in the form of prison labor, is	ndentured labor, bonded labor or otherwise.														
the age for completing compulsory ed	younger than 15 (or 14 where the law of sucation in the country of manufacture wh	the country of manufacture allows) or younger than ere such age is higher than 15.														
 Harassment or Abuse Every employee will be treated with n verbal harassment of abuse. 	espect and dignity. No employee will be	subject to any physical, sexual, psychological or														
No person will be subject to any discr or retirement, on the basis of gender, ethnic origin.	fimination in employment, including hiring, race, religion, age, disability, sexual one	salary, benefits, advancement, discipline, termination ntation, nationality, political opinion, or social or														
Other Check State of			Since Section 12 hour shape only from which could be compared to the Section 12 hour shape of the Section 12 hour shape of the Section 12 hours are seen to the Secti			Finding was incriminating.	wocker and mora gament interviews			The are writing with incoming to find information to the comment distribution on eligibotion from both comment with control of the comment of the control of more with includy management and algorithm from an entire that the comment of the control of more distribution of the control of comments pringentine of the stables.		Factory faces if the control shift hyperin changes is the face of the control control shift hyperin changes in the control control shift has been shifted in particular shifted in the control shift has been process in June with or excellent being the control process in June with or excellent, by the first set up process in June with or excellent, by the first set up process in June with or excellent, by the first set up process in June with or excellent, by the first set up process in June with or excellent, by the first set up process in June with or excellent process in longther with or experience manages, modelation longther with or experience manages, modelation long the with the law or convinced them from the time of being and the control of the long of with the ball of the control of the long with the law of the long of the long of which the law or convinced them from the long of with the ball of the long of law or the law or convinced them or the any proc of a subflored hore or proposed to the long of which but less convinced them of the long of long or long the law or long of law or long or	2006; March 12, 2007	management discussion, documentation (proposed new shift)	Ongoing	Nas and Nasolick organizations on with factory prosaggarest to absorbe for all discharges and policies and presents and presents and presents and present and pres
	althy working environment to resume and	idents and injury to health arising out of, linked with,	,	1	1		1					,		1	_	
or occurring in the course of work or	attry working environment to prevent acc as a result of the operation of employer fi	acilities.					1	I .					1	1	1	
	Factories Ordinance of Sri Lanka, Ordinance No. 45 of 1942, No. 22 of 1948, Acts Nos. 54 of 1961, 17 of 1966	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will		There is no signage suggesting that lift should not be used in case of fire.			management interview, visual inspection			The factory has already put up signage suggesting that lift should not be used in case of fire.	Completed		October 11, 2006	3 observation	Completed	

					IEM Findings				T.			Undates				
FLA Code/Compliance issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources, Documentation	Notable Features	PC Internal Audit Findings (Optional)	PC Remediation Plan	Target Completion Date	Remediation Factory Response (Optional)	Company Follow Up	Documentation	[Status] Completed, Pending, Ongoing	Company Follow Up (May and October 2007)
Evacuation Procedure		education, evacuation procedures, etc.) shall be complied with and workers shall be trained in	1) Peaces in Institing sease partly followed with actions: White the control of	stored on them.		Finding was incriminating.	visual inspection			1. 3) Faciny whosh maritain clear strainey, sailes, relatively addressed to control of the cont	December 1, 2006		October 11, 2006; March 12, 2007	observation, inspection records	Closed	Factory has examinged breifed blacks belongs area. Salakly to the control of the
Safety Equipment		At sately and medical equipment (such as fire lighting equipment, first aid bits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	 Eye wash cup and distilled water are not provided in first aid boxes. 2) Eye/Mouth wash station is not provided at charricals storage area near cooling plant on terrace. 			Finding was incriminating.	visual inspection			1) Eye wash oup and distilled water already in place in some first aid boxes. The factory has to provide these in all first aid boxes. 2) The factory should have an eye/mouth wash station at chemicals storage area near cooling plant on terrace.			October 11, 2008; March 12, 2007	observation	Closed	Não vide on March 12, 2007; 1) Eye wash roup and distilled water in place in first aid Drose. 2) Eye/Mouth wash station available at chemicals storage area near cooling plant on terrace.
Personal Protective Equipment (PPE)		protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhelation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Many operators in knitting area not using dust masks. Lint and fabric dust particles noticed in this section. 2) Operators on overhold operations not using dust masks. Fabric dust generation seen on these operations.			Finding was incriminating.	visual inspection			 The factory had conducted dust level measurement test and as per report, measurements are within TLV. The factory has to streamfine clearing process of machinery to ensure that lint and fabric dust is cleared. 			October 11, 2006; March 12, 2007		Closed	Nisa visit on March 12, 2007: Operators in lentifing area and overflock operators using provided dust masks. Regular cleaning carried out in production areas.
Wantilation/Electrical/Facility Maintenance		All verification, plumbing electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	1) Emergency leften not installed all exclusivessage at macrazine from costing and installating engineering sections. 2) Lighting observed at 160-000 has at interpretation of the cost of			Finding was incriminating.	visual inspection	the factory has to follow the heat stress prevention plan (as indicated in Nike ESH	at mezzanine floor in cutting and Industrial in engineering sections. 2) Lighting observed at 161 300 lax at needlepoint on sewing stations without individual lamps in production half and sampling section. 3) No emergency lights installed in sampling and desion sections. 41 Illumination of	lighting fleed to machinery. Factory has to conduct a light bewill measure to ensure it meets required standards. It was been been been been been been been bee				observation, documentation	Closed	Nike visit on March 12, 2007; 2) Light level measure conducted and levels within standard. 3) Emergency lights installed.
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Few sewing machines did not have pedal mats.	Tag guns in packing section do not bear operators' names to ensure personalized usage.		Finding was incriminating.	visual inspection			Pedal mets made available for all sowing machines. Tag gare in packing section should bear operators' names to ensure personalized usage. The factory agreed to do this by end of October.	Completed October 31, 2006	The factory conducts a monthly inspection to ensure the all safety devices are in place.	at October 11, 2006; March 12, 2007	observation	Closed	Niles vist on March 12, 2007. Tag gure in packing section are numbered and the issuing department keeps track of workers to whom the tag guris are issued.
 Freedom of Association and Colli Employers will recognize and respect t 	lective Bargaining the right of employees to freedom of ass	ociation and collective bargaining.														
		reds. Employers will pay employees, as a base, at whichever is higher, and will provide legally mandated	1													
	Factorisc Ordinance of Sis Larks, Employment of Women, Young Person and Children Act No. 47 of 1956. Wags Board Ordinance of Sir Larks No. 27 of 1941, 40 of 1943, 19 of 1945, 22 of 1945.		Employment records and records pertaining to wage and benefits an orn distrational of the Sacility for security gazets, housekeeping and 25 workers from [Agency name] working in dye house.			Finding was incriminating.	management interview, security guard review of sime records			Regarding outcourced services (brosselvesping and socially gaids), latour ground price and an argument with each of the outcourced parties. A greenment should stipulate the outcourced parties, and the law evidents explained the outcourced parties are to relate well- shifted the services of the services of the services of the similar wayse. O'l comprehensions and signify manifested bearins's, Outcourced parties are required to lasp tract of working hours, maintain time cards and yeavy oil records; and minish copies of records maintained or recipied of working to the proper particularly. Control of the services of the services of the services of the outcomes of the services of the services of the services of control of the services of the services of the services of control of the services of the services of the services of control of the services of t		1) The lactory had conducted an audit on security and pranticell services 2,0 flows in 3 morths (internal staff valid audit service providers. 3) Factory had already speaker with the security company to have a planned dup rost that will not exceed 12 hour shifts.	ill 2006; March 12, 2007	observation, documentation	Ongoing	Regards to outcoursed workers: I) Factiony conducts regular audition security and primitedal services, Report and the concerns raised with outsource service providers. 2) Agreements with outsource services providers have a clause on Agreements with outsource services providers have a clause on the service providers. Factiony taking continued efforts to address the issues of service providers.

					IEM Findings							Remediation			(Status)	Updates
FLA Code/Compliance issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources, Documentation	Notable Features	PC Internal Audit Findings (Optional)	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up	Documentation	Completed, Pending, Ongoing	Company Follow Up (May and October 2007)
week and 12 hours overtime or (b) th	e limits on regular and overtime hours allo of limit the hours of work, the regular work	red to work more than the lesser of (a) 48 hours per wed by the law of the country of manufacture or, week in such country plus 12 hours overtime; and														
Forced Overtime	BOI Bload of Investments) Bandands on Shandands On Shanda	Under entandriary business concurriations, entangless with real section of the construction of sections of the construction of the construction of the construc	Para appointment litters aissend to workers, fley are seen and the parameters of the parameters of the parameters of the parameters of the parameters of the parameters of the parameter			Finding was incriminating.	record review; worker and management interviews			PCs are average with facility to find distanches to the distance of the distance of the distance of the distance of the facility management and given for the distance of man with table or management and given to have a facility management and given for the con- trol of the distance of the distance of the management of the distance of the product of the distance of the accuracy of the distance of the accuracy of the distance of the product of product of		Continuation will be countryl, decoused within facility. Decomplex of the continuation of the continuatio	October 11, 2006; March 12, 2007	management discussion, documentation (proposed new shift)		Nea and Bedook regio met with biodory immagament in video data and the state of appointment on the state of the state of appointment of the state of the state of appointment of the state of appointment of the state of the st
Overtime Limitations	and Children Act No. 47 of 1956. Wage Board Ordinance of Sri Lanka No. 27	this bisser of (a) 48 hours per week and 12 hours per week and 12 hours continue of (b) the bits on regular and overtime continue of (b) the bits on regular and overtime manufacture or, where the laws of such coursy will call the hours of the chip and reverse wheek in a first the hours of the chip and the chip and settliked to at last one day of it is very seven day settliked to at last one day of it is very seven day settliked to at last one day of it is very seven day settliked by other a surpossey period of earts work that could not reasonable efforts.	10 Employee work 6th Proxis in a 6x years open and the Monas por they, 2 Freedom workers sometimes on the Monas por they, 2 Freedom workers sometimes and the Monas por they. 25 Instances of executing yearth being on day least. 30 Instances of executing yearth being on day continuously for 60 hours in August 2009 redead.			Finding was incriminating.	record review; worker and management interviews		The loans of excessive working from a record; services preved finosoph, and the secondly service robusty. All branch, facility management and the services are serviced as the services and the services are serviced as a service services and the services are serviced services.	In Pice are softing with factory for first districtives to incurred with system, one suggestion has been been shared with factory and analong from the object of the control of the contro	***********	Continuated with its country's discussed within facility factoring agreed for the Continuation of Continuation	October 11, 2006; March 12, 2007	management discussion, documentation (proposed new shift)		Company size in the floating reasongment in December and decisized on alternate of the plants. Pactory and decisized decisions of the plants of the plant of the plants of t
Reduce Mendated OT		The employer will demonstrate a comment to include market of the control of the c	Feature works on a daily schedule of 21 from other properties of the properties of			Finding was incriminating.	record review; worker and management interviews			Fig. are average with facility to find distancies to the control of the control		Contenting with its country discussed within facility of the country of the country of the country of Countries 2000 with investigations considered (Sandri, department of lation, ethicytes, employers countries) of the country of the country of salarmadives it any required. A counted ship plasma and alarmadives it any required.	October 11, 2006: March 12, 2007	management discussion, documentation (proposed new shift)		"Sike and Resident region are with flustrary menagement in
Legal Compliance With Protected Workers		The factory will comply with all applicable laws, governing work host, including those regulating or lamiting the nature and volume of work performed by women or workships under the applicable of £1.				Finding was incriminating.	rocord review; worker and management interviews			Fix on an ending will facility to fixed administers in the counter diffit hydran consequention have been chanced with by the facility and examining the fixed-back. Fix- ing the counter of the counter of the counter of the ending with an intellegendate of the facility foreign, department of floor, employee counted accommon paragraphic of this matter.		Continuated with its countriely discussed within facility. Exercisy appeals to his for home factor the set of Discussed 2000 with all relevant parties concerned to Discussed 2000 with all relevant parties concerned to the continuation of the continuation of the continuation of discussion in the continuation of the control of the pattern and alternatives it any required.	October 11, 2006; March 12, 2007	management discussion, documentation (proposed new shift)		When our Besides rays met with flustry pranagement in December and discounted probable shift patterns within management and a second discounted probable shift patterns within management and a rever discounted probable shift pattern within management and a reverse discounted on contrast that of secondaries in counter that the pattern shift gleas among Nakindeds and the secondaries and the secondaries of the se
Nelumany OT		Overtime hours worked in excess of code standard and the voluntary.	There is no system in place to entire that continue is a described in the continue of the continue of the continue of sections states that they would be recipited to seek 12. How daily shifts, (Each shift negative workers to work 11 loses por day not of farable.)			Finding was incriminating.	record review; worker and management interviews			Fig. are wording with fishing in little distancies in the manufacture of the control of the control of the control of the manufacture of the control of the control of the control of manufacture of the control of the control of manufacture of the control of the control of manufacture of the control o		Continued with covered photocoach within factory of 2000 with all release prince concerned planes, department of latice entryleuse, entryleus factories chapatiment of latice entryleuse, entryleus factories and proposed planes. In 1997, p. 199	October 11, 2006; March 12, 2007	management discussion, documentation (proposed new shift)		Name and Teaches segment with flustrom precaugement in windows and the control of

					IEM Findings						[Status]	Updates				
FLA Code/Compliance issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources, Documentation	Notable Features	PC Internal Audit Findings (Optional)	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up	Documentation	Completed, Pending, Ongoing	Company Follow Up (May and October 2007)
0. Overtime Compensation													<u> </u>		-	
as is legally required in the country of their regular hourly compensation rate	manufacture or, in those countries where	ompensated for overtime hours at such premium rate such laws will not exist, at a rate at least equal to														
	BOX (Bload of Investment) Standards on Wages and Overime Payment. Factories Ordinance Acts 7 & 32 of 1994.		Though Buckey results flunday as a committeneously only and order to the the segular conference to the results of compression for surgical words at 1 size with the segular conference the segular conference the segular rate. It is less than the segular conference to the segular			Finding was Incriminating.	necord review, management interview			Pics are enviring with fuctory to find alternatives to the country of this regions are objected from two beam country of this regions are objected from two beam country with a find a f		Confirmed with conversity discussed within the factory pages the other control one of Consistent control pages and control pages and of Consistent pages and the control pages and control pages pages and control pages and control pages pages and control pages and control pages and pages and control pages and control pages ACC (emptypes controlled logistic with our operation and pages and control pages and control pages and control pages and control pages and control pages ACC (emptypes controlled logistic with our operation and control pages ACC (emptypes controlled logistic pages and control pages ACC (emptypes controlled logistic pages and control pages ACC (emptypes controlled logistic pages and control pages and control pag	2006; March 12, 2007	management discussion, documentation (proposed new shift)		Nea and Reducks representatives are with factory manage. In Section 4 and Section 4 indirects and Plantines For Personal Action of the Conference and Content and Conference and Conference and Englands
Miscellaneous								Factory has a self-service terminal for employee. An employee has access to employee has access to the self-self-self-self-self-self-self-self-								