

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

11 Nov 2021



Factory Information

FLA Affiliates	Colosseum Athletic Corporation
Country	China
Number of Workers	80

Understanding this Report

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

FLA Code Element

Number of Violations

Compensation (C)	3
Employment Relationship (ER)	8
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	13
Hours Of Work (HOW)	4

Assessment Information

Assessor	Openview- China Shenzhen
Assessment Date	11 Nov 2021

Assessment Purpose	Factory Assessment (In-Person)
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.12.1
Benchmark Details	All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.
Finding Details	The factory does not contribute to the five types of social insurances in line with legal requirements. Local law requires employers to contribute to the programs based on workers' average monthly wages for the previous year. The factory, however, contributes to the five programs based on a wage of CNY 3,800 (USD 594) per month. In reality, about 90% of the workers had average monthly wages higher than CNY 3,800 (USD 594), ranging from CNY 3,900 (USD 609) to CNY 6,000 (USD 938).
Recommendation for Immediate Action	Contribute to social insurance programs based on workers' actual average monthly wage for the previous year.
Compliance Classifications	Immediate Action Required
Local Law	Social Insurance Law of the PRC, Article 12 and Article 60
Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.

Finding Details	The factory does not contribute to social insurance programs for all eligible workers. For the last contribution period, there were a total of 94 workers (including ten retired workers who were recruited to return and seven new hires), of whom 77 were eligible for social insurance contribution. The factory, however, has contributed to pension, work-related injury, medical, maternity and unemployment insurances for 15 out of the 77 eligible workers (19.48%). The factory also did not provide commercial accident injury insurance to those workers not covered by social insurance.
Recommendation for Immediate Action	Provide social insurance for all eligible workers.
Compliance Classifications	Immediate Action Required
Local Law	The China Labor Law, Article 72
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	The factory does not contribute to the Housing Provident Fund for any of the 77 eligible workers.
Recommendation for Immediate Action	Make the legally required Housing Provident Fund contribution for all eligible workers.
Compliance Classifications	Immediate Action Required
Local Law	Regulations on Management of Housing Provident Fund, Article 15
Employment Relationship (ER)	
Benchmark ID	ER.17.5

Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
Finding Details	The factory provides four channels for workers to lodge grievances: speaking directly with supervisors, lodging grievances with worker representative, speaking with the General Manager, and filing grievances through a suggestion box. However, worker interviews indicated that workers are not aware of the possibilities to report grievances to worker representatives or to speak with the General Manager. No workers have filed any grievances through the suggestion box. The factory has not recorded any verbal grievances raised by workers with their supervisor. The factory does not maintain any records of grievances.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.2
Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	The factory has not hired any disabled workers, which violates legal requirements stating that disabled workers should compose at least 1.5% of the total workforce. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers as permitted under local law, this practice carries the risk of discrimination based on the FLA Workplace Code and Benchmarks.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	The factory does not have policies or procedures on retrenchment. The factory's termination procedure does not include a method for calculating the worker's final payout.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The factory has not established written procedures on personnel development that encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	The factory has not established a performance review procedure, nor has it conducted performance reviews for any workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	The factory has not established written procedures on promotion, demotion, and job reassignment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	The worker integration component is missing across all Employment Functions. The factory has not established procedures to solicit workers' input in the creation, implementation and updating of its policies and procedures. Management does not systematically workers in decision-making processes or integrate their feedback.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.4
Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The disciplinary system does not include the worker's right to appeal a disciplinary action or the right to have a third-party witness present during the imposition of discipline.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.10
Benchmark Details	Employers shall refrain from any acts of interference with the formation or operation of workers' organizations, including acts which are designed to establish or promote the domination, financing or control of workers' organizations by employers.
Finding Details	FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). According to the International Labor Organization (ILO), many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.1
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Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	One out of the two emergency exits in the cutting workshop (located on the first floor of the production building) has no exit sign or emergency light.
Recommendation for Immediate Action	Install working exit signs and emergency lights at all emergency exits.
Compliance Classifications	Immediate Action Required
Local Law	Code of Design on Building Fire Protection and Prevention, Article 10.3.5
Benchmark ID	HSE.5.1.2
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of fire alarms;
Finding Details	The fire alarms throughout the factory do not have backup battery power.
Recommendation for Immediate Action	Install backup battery power for all fire alarms.
Compliance Classifications	Immediate Action Required
Local Law	The Code of Design on Building Fire Protection and Prevention, Article 10.1.6
Benchmark ID	HSE.5.1.4

Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	1. Semi-finished goods and other materials partially obstruct one of the two safety exits in the finishing workshop. 2. The factory stores flammable raw materials in one of the two evacuation stairwells on the first floor of the two-story production building.
Recommendation for Immediate Action	1. Ensure that all safety exits are free from obstruction. 2. Remove all flammable materials from evacuation stairwells and keep the stairwells free from any obstruction.
Compliance Classifications	Immediate Action Required
Local Law	Code of Design on Building Fire Protection and Prevention, Article 6.4.11; Fire Prevention Law, Government offices, Article 16 (4)
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	The factory does not provide soap or hand drying facilities in the toilets in the production area.
Recommendation for Immediate Action	Provide soap and hand drying facilities in all toilets in the production area.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.13

Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	The factory stores flammable materials such as semi-finished garments under an electrical switch in the finishing workshop. It appears that these materials are stored in this location permanently.
Recommendation for Immediate Action	Ensure that all electrical switches in the finishing workshop are free from obstruction.
Compliance Classifications	Immediate Action Required
Local Law	Electricity Safety Guidelines, Article 5.1.1
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	Four out of the eight high-speed sewing machines do not have eye shields. The shields were either removed or damaged. In addition, one button machine in the sewing workshop has a broken pulley guard on its the transmission belt.
Recommendation for Immediate Action	Install eye shields on all high-speed sewing machines and repair the pulley guard on the button machine in a timely manner.
Compliance Classifications	Immediate Action Required
Local Law	Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.

Finding Details	1. The factory has never conducted a comprehensive inspection of its firefighting equipment. 2. The factory does not contact information for medical response personnel.
Recommendation for Immediate Action	1. Conduct a comprehensive inspection of the firefighting equipment at least once a year. 2. Post the contact information for medical response personnel near each phone, or otherwise throughout the factory.
Compliance Classifications	Immediate Action Required
Local Law	China Fire Prevention Law, Article 16 (3)
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	1. The factory has not obtained a food business license for its canteen, which includes an operating kitchen and serves meals to 30-40 workers. 2. One member of the kitchen staff does not have the proper health certification.
Recommendation for Immediate Action	1. Obtain a food business license for the canteen. 2. Ensure that all kitchen staff obtain the required health certification before preparing and serving food.
Compliance Classifications	Immediate Action Required
Local Law	China Law on Food Safety, Article 35 and Article 45
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

Finding Details	The factory has never conducted an occupational hazards test in the production area, where workers are exposed to noise and dust.
Recommendation for Immediate Action	Conduct an occupational hazards test in the production area on an annual basis.
Compliance Classifications	Immediate Action Required
Local Law	The Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20
Benchmark ID	HSE.20
Benchmark Details	Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following should also be considered: number of toilets based on number of workers, privacy for each individual and gender, accessibility and hygiene.
Finding Details	Some of the toilet stalls in the production area do not have doors for privacy. Toilet stalls are divided into men's and women's rooms.
Recommendation for Immediate Action	Install privacy doors for each toilet stall in the production area.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	One of two cutting workers does not wear the provided metal gloves when operating the cutting machine.

Recommendation for Immediate Action	Train and supervise cutting workers to wear metal gloves correctly and consistently while operating the machine.
Compliance Classifications	Immediate Action Required
Local Law	Law of the China on Work Safety, Article 42
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The factory does not provide safety training to designated workers with high-risk responsibilities including electrical work, machine maintenance, and working at heights.
Recommendation for Immediate Action	Provide safety training to all designated workers who have high-risk responsibilities.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	The factory does not take steps to reduce repetitive-motion stress or injuries. The factory does not provide chairs with armrests and backrests to employees who work in a sitting position or anti-fatigue mats to those who work in a standing position.
Recommendation for Immediate Action	Provide chairs with armrests and backrests to employees who work sitting down and anti-fatigue mats to those who work standing up.
Compliance Classifications	Immediate Action Required

Local Law	
Hours Of Work (HOW)	
Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	Overtime work at the factory routinely exceeds the legal limit of 36 hours per month. Worker interviews and time records for the period from October 2020 to October 2021 indicate that in all reviewed months, about 90% of workers worked more than 36 overtime hours per month, with a maximum of 112 overtime hours in December 2020.
Recommendation for Immediate Action	Control overtime hours to achieve full compliance with legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	The China Labor Law, Article 41
Benchmark ID	HOW.20
Benchmark Details	Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.
Finding Details	The factory's production plan is based on a schedule of 60 hours per worker per week. Factory management sets production targets at a level that requires 20 overtime hours (two overtime hours per day on five weekdays, ten overtime hours on Saturday) per week to meet.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	Weekly working hours at the factory routinely exceed 60 hours. Worker interviews and time records for the period from October 2020 to October 2021 indicate that in all reviewed months, 90% of workers worked between 60 and 70 hours in two or three weeks of the month.
Recommendation for Immediate Action	Control working hours so that they do not exceed 60 in any given week.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HOW.2
Benchmark Details	Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.
Finding Details	The factory routinely fails to provide workers with at least one day off in every seven-day work period. Worker interviews and time records for the period from October 2020 to October 2021 indicate in an all reviewed months, approximately 90% of workers worked more than six consecutive days, with a maximum of 27 consecutive days worked from March 1 to 27, 2021.
Recommendation for Immediate Action	Provide workers with at least one day off (24-consecutive hours of rest) for every seven-day work period.

Compliance Classifications	Immediate Action Required
Local Law	

