

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

01 Dec 2021



Factory Information

FLA Affiliates	
Country	China
Number of Workers	

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

FLA Code Element	Number of Violations
Compensation (C)	4
Employment Relationship (ER)	5
Forced Labor (F)	1
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	5

Assessment Information

Assessor	Openview- China Shenzhen
Assessment Date	01 Dec 2021

Assessment Purpose

Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.16.1
Benchmark Details	All compensation records, including wages and benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).
Finding Details	
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	C.24.1
Benchmark Details	Employers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours as set under the FLA Workplace Code, excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.
Finding Details	
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	

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	Document review and management interview resigned workers were not paid on time. e.g. one worker's last work day was 16 July, while his wage was paid on 25 July. Worker signed agreement on the resignation application form that they accepted their termination payment would be paid on the regular payment on 25th of the month. This practice is not in line with legal requirement.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	C.15.1.2
Benchmark Details	Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show wage calculations.
Finding Details	
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Employment Relationship (ER)	
Benchmark ID	ER.11.2

Benchmark Details	Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. for migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;
Finding Details	It is not required by law.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	Management interview and document review noted the factory does not have a written appointment to clearly define the staff who is responsible for social compliance issues at the workplace.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	ER.4

Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	
Recommendation for Immediate Action	
Compliance Classifications	
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	Document review and management interview noted the factory does not review policies and procedures regularly, e.g. annually. They just monitor the legal and other requirements and update their policies accordingly on an as-needed basis., Document review, management and workers interview noted workers are not consulted or integrated in the decision-making process of aspects concerning workplace and working conditions (e.g., creation or revision of policies and procedures, changes on production processes, hours of work, etc.).
Recommendation for Immediate Action	
Compliance Classifications	
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	
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	

Forced Labor (F)

Benchmark ID	F.4.1
Benchmark Details	If workplace entrances are locked or guarded to prevent nonemployee access to the premises for security reasons, workers shall have free egress at all times
Finding Details	
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.3
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Benchmark Details	When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of workers association.
Finding Details	
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	Misunderstanding. As per document review and confirm with management, the latest fire drill was conducted at daytime in December 2020 which involved all workers in all shifts, but the factory has night shift in February to July 2021, fire drill at night has never been conducted. In addition, the facility occupied the 1st and 2nd floor of building No. C1, the 3rd to 7th floor are used by another companies, however, no joint fire drill has been conducted in assessment period.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	HSE.14.1

Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	Misunderstanding. Onsite observation notes that two elevators are not marked with load capacity. Isolated.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	HSE.25.1
Benchmark Details	Dormitory facilities, including those provided by employment agencies or intermediaries associated with the employer, shall meet all applicable laws and regulations related to health, safety, and environment, including fire safety, sanitation, risk protection and electrical, mechanical, and structural safety.
Finding Details	It is not required by law.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	
Recommendation for Immediate Action	

Compliance Classifications	
Local Law	
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	Misunderstanding. Onsite observation and confirm with management, no rescue equipment is available in facility. Remark: as per facility's risk assessment, the operators should strictly follow SOP of confine space, and it is not necessary to prepare rescue equipment.
Recommendation for Immediate Action	
Compliance Classifications	
Local Law	

