



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: 47 Brand, LLC
Top of the World by Fanatics
COUNTRY: China
ASSESSMENT DATE: 10/17/18
ASSESSOR: Openview
PRODUCTS: Housewares
NUMBER OF WORKERS: 118

Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide specific training for the relevant supervisors on any of the Employment Functions. 2. The factory does not provide ongoing training to workers, supervisors, or managers on any of the Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.16, ER.17, ER.25, ER.27, ER.28, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

provide specific training for the relevant supervisors on Employment Functions.
provide ongoing training to workers, supervisors, or managers on Employment Functions.

Planned completion date

02/22/17

Company Action Plan Update

The factory had conducted the training in January of 2018 in the standards for forced labour, child labour, discrimination, harassment & abuse. The auditor reviewed training records, and cross-checked with management and workers.

According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethical beliefs and political background etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement; migrant workers had the same pay for same work and working conditions as the local workers.

Evidence examined – to support system description:

Details:

1. Factory policy
2. Payrolls, attendance records, termination records and training records
3. Management and workers interview

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a review of the factory's annual training plans for 2018, training materials, and training records, as well as supervisor interviews, the factory provides specific training for the relevant supervisors regarding all Employment Functions except Personnel Development and Retrenchment. [ER.1, ER.17]

Root Causes:

1. Management neglects the Personnel Development and Retrenchment Employment Functions.
2. Management does not think training on these topics, especially Retrenchment, would be beneficial for supervisors.

2. Finding Status (Partially Remediated)

Explanation:

According to a review of the factory's annual training plans for 2018, training materials, and training records, as well as interviews with workers, supervisors, and managers, the factory provides ongoing training to workers, supervisors, and managers regarding all Employment Functions except Personnel Development and Retrenchment. [ER.1, ER.15, ER.17, ER.28]

Root Causes:

1. Management neglects the Personnel Development and Retrenchment Employment Functions.
2. Management does not think training on these topics, especially Retrenchment, would be beneficial for the factory employees.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.28)

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input and/or feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Current systems:

1. Based on documents review, the factory had established a Worker Committee Management Procedure. It was identified that employee representatives should be elected by employees freely.
2. The procedure and meeting records showed that the committee communicated with factory management quarterly. And relevant records were kept by the factory.
3. All interviewees confirmed that they could raise their complaints to the workers representatives and suggestion box.
4. 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). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.

Planned completion date

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a review of the factory's documents and meeting minutes between management and Union Representatives, as well as management and worker interviews, the worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/ or receive workers' input and/ or feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1, ER.25]

Root Causes:

1. The factory's Human Resources (HR) and Corporate Social Responsibility (CSR) staff believe that it is easier and more efficient to perform management reviews without the involvement of workers.
2. Management does not have a strong understanding of the local laws pertaining to this topic.
3. A lack of worker integration is very common in the manufacturing industry across China.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25)

PREVIOUS FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The job application form includes questions regarding marital status, gender, and age, which could lead to discrimination during the recruitment and hiring process. There is no evidence however, to suggest these questions have led to discrimination in the recruitment and hiring process. 2. The factory has not created written job descriptions for any of the positions. 3. The factory does not have written policies or procedures outlining the process for performance reviews; therefore, the factory does not conduct regular performance reviews. There is also no system to review the performance of new workers during their probation period. 4. The factory does not have any policies or procedures on Personnel Development; therefore, the factory does not have specific career paths or skill development plans for workers. 5. The factory has not hired any disabled workers, which is a violation of legal requirements that state at least 1.5% of the total workforce should be composed of disabled workers. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers as allowed under the local law, this practice carries the risk of discrimination based. 6. The factory requires a second probation period when resigned workers rejoin the factory. The factory usually signs a one year contract with workers and defines a one-month probation. Formally resigned workers who return to work at the factory, must undergo another one-month probation period, which is against local law.

Local Law or Code Requirement

Regulation on the Employment of the Disabled (2007); China Labor Law, Article 19; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, and ER.29; Nondiscrimination Benchmarks ND.2 and ND.4)

Recommendations for Immediate Action

Remove all discriminatory questions regarding marital status, gender and age from the job application form.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Current systems:

1. The factory had established policy and procedure on prohibiting discrimination. No evidence of discrimination was found in

factory policies, rules, procedures and operation records.

2. According to payrolls, attendance records, termination records and training records review, no evidence showed that discrimination existed in the factory.

3. According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement; migrant workers had the same pay for same work and working conditions as the local workers.

4. There was no evidence of sexual harassment.

Planned completion date

02/22/17

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a document review and management interviews, the factory's job application form includes questions regarding applicants' marital status, gender, and age, which could lead to discrimination during the Recruitment and Hiring processes. There is no evidence that the factory discriminates against applicants in practice. [ER.3, ND.2]

Root Causes:

1. Factory management explained that the job application form is a general format that they borrowed, and neglected to delete the questions regarding marital status, gender, and age.

2. Finding Status (Remediated)

Explanation:

According to a document review and management interviews, the factory has written job descriptions for all positions in the factory.

3. Finding Status (Partially Remediated)

Explanation:

According to a document review and management interviews, the factory has written policies and procedures outlining the process for performance reviews. However, the policies and procedures do not include a system to review the performance of new workers during their probation period. In practice, the factory only conducts regular performance reviews for Quality Control (QC) workers and supervisors. [ER.1, ER.29]

Root Causes:

1. The factory is gradually improving the performance review process.

2. Very few new workers have been recruited in the past 12 months, so management did not think there was a need to establish a system to review the performance of new workers during their probation period.

4. Finding Status (Partially Remediated)

Explanation:

According to a document review and management interviews, the factory has policies and procedures on Personnel Development. However, they do not include the following components:

a. Policies and procedures that encourage the ongoing training of all categories of workers with the goal of raising or broadening workers' skills in order to advance in their careers within the factory and beyond;

b. Policies and procedures regarding demotion and job reassignment.

In addition, although the factory has procedures on promotions, they are not clear and workers' promotions are based on the supervisors' general judgment. [ER.1, ER.28, ER.30]

Root Causes:

1. The factory is gradually improving its policies and procedures on Personnel Development.

2. Management does not fully understand the Personnel Development Employment Function or the FLA Workplace Code and Benchmarks.

5. Finding Status (Remediated)

Explanation:

According to a document review and assessors' onsite observations, the factory employs two disabled workers, which is in line with legal requirements that state at least 1.5% of the total workforce should be composed of disabled workers.

6. Finding Status (Remediated)

Explanation:

According to a document review and management interviews, the factory does not require resigned workers to complete a second probation period if they are rehired. None of the workers hired in the previous 12 months were previously resigned workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.28, ER.29, and ER.30; Non-Discrimination Benchmark ND.2)

Recommendations for Immediate Action

1. Remove all discriminatory questions regarding marital status, gender, and age from the job application form.

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The contribution base of the five types of social insurances is not in line with legal requirements. The contribution should be based on a worker's average monthly wage of the previous year, which ranges from CNY 2,550 to CNY 3,300 (USD 367 to USD 478) per month in this factory. However, the factory only contributes to the five types of insurances based on the local minimum contribution base, which is CNY 2,550 (USD 370) per month. 2. The factory does not contribute to the legally required Housing Provident Fund.

Local Law or Code Requirement

China Labor Law, Articles 72 and 73; China Social Insurance Law, Article 12 and 58; The Regulations on Management of Housing Provident Fund, Article 2, 3 and 15; FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1, C.5, and C.10)

Recommendations for Immediate Action

Calculate contributions to social insurance based on workers' actual monthly wages.

COMPANY ACTION PLANS

Action Plan no 1.

Description

"I have seeked counsel with the local Housing fund center, the legal documents of "Regulations on Management of Housing Provident Fund" shows that it covers for all the enterprises (both state-owned and private) but it has not been legislated. So, it actually doesn't break the law to be or not."

Planned completion date

02/22/17

Company Action Plan Update

As to the current management forms, factory has already made the five types of social insurances for all the workers but does not have the Housing Provident Fund

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a review of the factory's social insurance payment receipts, the contribution base for the five types of social insurances is not in line with legal requirements. The contribution should be based on a worker's average monthly wage over the previous year, which ranges from CNY 3,200 (USD 460.92) to CNY 5,000 (USD 720.19) per month in this factory. However, the factory bases its contributions on the local minimum contribution base, which was CNY 2,800 (USD 403.31) per month before August 2018 and increased to CNY 3,125 (USD 450.12) per month after August 2018. [ER.22, C.1, C.5, C.10]

Root Causes:

1. China's social insurance system is still under development and the process to transfer insurance funds is complicated.
2. The uncertainty of future benefits makes workers reluctant to participate in the social insurance scheme.
3. Workers don't want to contribute more to the social insurance fund because doing so will decrease their take-home income.
4. The factory is not willing to bear the cost of basing social insurance contributions on the workers' actual wages.

2. Finding Status (Not Remediated)

Explanation:

According to a document review and management interviews, the factory does not contribute to the legally required Housing Provident Fund for any of the workers. [ER.22, C.1, C.5, C.10]

Root Causes:

1. The uncertainty of future benefits makes workers reluctant to participate in the Housing Provident Fund scheme.
2. The factory is not willing to bear the cost of contributing to the Housing Provident Fund.

Local Law or Code Requirement

Labor Law of the People's Republic of China, Article 72 (1994); Social Insurance Law of the People's Republic of China, Articles 12, 23, 35, 44, and 53 (2011); Regulations on Management of Housing Provident Fund, Article 15 (2002); FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1, C.5, and C.10)

Recommendations for Immediate Action

1. Calculate contributions to all five types of social insurance based on a workers' average monthly wages over the previous year.

PREVIOUS FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The production plan always includes overtime. The factory's production plan is 48 hours per week, which includes eight hours of overtime. Under this production planning system, workers need to work overtime, although total weekly working hours is within 60.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmark HOW.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory's production plan now is 40 hours per week, 5 working days.

Planned completion date

02/22/17

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a document review and management interviews, the factory's production plan still includes overtime. The plan is based on 48 hours of work per week, which includes eight hours of overtime. [HOW.8]

Root Causes:

1. The factory does not make adequate preparations for dealing with production orders.
2. The shipping date required by nearly all customers is very tight, so overtime to complete the orders on time.

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.8)

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

All management functions for Termination & Retrenchment are missing, including Policy & Procedure, Training, Implementation, Review Process, and Communication & Worker Integration. Therefore, the factory also does not formally define, in writing, the person(s) responsible for Termination & Retrenchment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The management functions for Termination & Retrenchment are added, including Policy & Procedure, Training, Implementation, Review Process, and Communication & Worker Integration.

Planned completion date

02/22/17

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a document review and management interviews, the factory has policies and procedures on Termination & Retrenchment and regularly reviews and updates them. The person responsible for Termination & Retrenchment is also clearly defined in writing. However, the factory still does not train workers or supervisors on Personnel Development and Retrenchment, or communicate its Termination & Retrenchment policies and procedures or their updates to the general workforce. In addition, the worker integration component is missing for Termination & Retrenchment. This indicates that the factory has not established procedures to request and/ or receive workers' input and/ or feedback regarding the creation, implementation, and updating of its Termination & Retrenchment policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes regarding Termination & Retrenchment. [ER.1, ER.15, ER.16, ER.17, ER.25]

Root Causes:

1. Management neglects the Termination & Retrenchment training Management Function.
2. A lack of worker integration is very common in the manufacturing industry across China.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.16, ER.17, and ER.25)

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. All management functions for Industrial Relations is missing, including Policy & Procedure, Training, Implementation, Review Process, Communication & Worker Involvement. Therefore, the factory also does not formally define, in writing, the person(s) responsible for Industrial Relations. 2. The factory has a trade union under the ACFTU (All-China Federation of Trade Unions). However, instead of being directly elected by workers, the leader of the union is appointed by senior management. 3. The factory pays union dues on behalf of the workers. 4. The factory has not provided the legally required office space and the necessary office equipment in order to enable the

union to conduct daily meetings and for the union representatives to perform their functions. 5. FLA Comments: 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.

Local Law or Code Requirement

China Labor Union Law, Article 9 and Article 45; FLA Workplace Code (Employment Relationship Benchmark ER.1; Freedom of Association Benchmarks FOA.2, FOA.11, and FOA.15)

COMPANY ACTION PLANS

Action Plan no 1.

Description

"The management functions for Industrial Relations have already added.
We have the union representative selected by workers."

Planned completion date

02/22/17

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a document review and management interviews, the factory has policies and procedures on Industrial Relations, regularly reviews and updates its Industrial Relations policies and procedures, clearly defines in writing the person responsible for Industrial Relations within the factory, trains workers, managers, and supervisors on Industrial Relations, and properly implements the Industrial Relations Employment Function. However, the factory still does not communicate its Industrial Relations policies and procedures or their updates with the general workforce. In addition, the worker integration component is missing for Industrial Relations. This indicates that the factory has not established procedures to request and/ or receive workers' input and/ or feedback regarding the creation, implementation, and updating of its Industrial Relation policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes regarding Industrial Relations. [ER.1, ER.16, ER.25]

Root Causes:

1. A lack of worker integration is very common in the manufacturing industry across China.

2. Finding Status (Partially Remediated)

Explanation:

According to a document review and management interviews, the leader of the union under the All-China Federation of Trade Unions (ACFTU) in the factory is still appointed by senior management instead of being directly elected by workers. [FOA.1, FOA.10, FOA.11]

Root Causes:

1. Union committee are required to be approved by General Union and General Union is led by government. So the employer may interfere with elections to ensure that the union is approved.

3. Finding Status (Not Remediated)

Explanation:

According to a document review as well as management and worker interviews, the factory still pays union dues on behalf of the workers. [FOA.10]

Root Causes:

1. Management and workers agree that the factory pays union dues on behalf of the workers.

4. Finding Status (Partially Remediated)

Explanation:

According to assessors' onsite observations, the factory provides office space and the necessary office equipment for the union to conduct daily meetings and for the union representatives to perform their functions. However, the office space is shared with workers from the factory's administrative department. [FOA.1, FOA.15]

Root Causes:

1. The factory doesn't have any other office space for the union to use.

5. Finding Status (Not Remediated)

Explanation:

FLA Comments: 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. [FOA.2]

Local Law or Code Requirement

Trade Union Law of the People's Republic of China, Articles 9 and 45 (2001); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, and ER.25; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.10, FOA.11, FOA.15, and FOA.23)

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory's current disciplinary procedures do not include an appeals process or include workers' right to have a third party witness present during imposition of disciplinary actions. 2. The records of disciplinary actions were maintained in a centralized file but not in workers' personnel files.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory's current disciplinary procedures have already included an appeals process or include workers' right to have a third party witness present during imposition of disciplinary actions.

Planned completion date

02/22/17

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

According to a document review and management interviews, the factory's Workplace Conduct & Discipline procedures include an appeal process and the workers' right to have a third-party witness present during the imposition of disciplinary actions.

2. Finding Status (Remediated)

Explanation:

According to a document review, the factory keeps records of disciplinary actions in workers' personnel files.

PREVIOUS FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The emergency exit sign and emergency lights in the packing room do not illuminate when the power goes out. 2. The elevators do not have signs that indicate the maximum working load. 3. The factory does not conduct regular testing on the building's lightning protection system. 4. The factory has not installed visual signage and other aids to ensure that workers use safe driving practices on factory premises, such as indicators, speed limit sign, convex mirrors on dead ends and reflectors. 5. The factory does not take steps to reduce repetitive-motion stress and injuries. It does not provide adjustable workstations, removable armrests or proper backrests on chairs for seated workers, or anti-fatigue mats for standing workers. 6. There are no lifting belts provided for loading workers.

Local Law or Code Requirement

Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 10.3.3 and Article 10.3.5; GB21431-2008 Technical specifications for inspection of lightning protection system in building, Article 6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.14 and HSE.17)

Recommendations for Immediate Action

1. Re-wire the emergency exit sign and emergency lights in the packing room to ensure they illuminate when the power goes out. 2. Post signs in the local language indicating maximum working load near or inside all elevators. 3. Install visual signage and/or other aids to ensure safe driving practices on the factory premises. 4. Provide lifting belts for loading workers, and train workers on their use.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The emergency exit sign and emergency lights in the packing room now is working normally. The elevators have signs that indicate the maximum working load. Factory have conducted regular testing on the building's lightning protection system. Factory has installed visual signage to ensure that workers use safe driving practices on factory premises. Lifting belts have already provided for loading workers.

Planned completion date

02/22/17

Company Action Plan Update

The emergency exit sign and emergency lights in the packing room now is working normally.

The elevators have signs that indicate the maximum working load.

Factory have conducted regular testing on the building's lightning protection system.

Factory has installed visual signage to ensure that workers use safe driving practices on factory premises.

Lifting belts have already been provided for loading workers.

VERIFICATION RESULT

Finding Status
Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

According to assessors' onsite observations, the emergency exit sign and emergency lights in the packing room are functional.

2. Finding Status (Remediated)

Explanation:

According to assessors' onsite observations, the maximum working load is posted near the elevators.

3. Finding Status (Remediated)

Explanation:

According to a document review and management interviews, the factory regularly tests the building's lightning protection system.

4. Finding Status (Partially Remediated)

Explanation:

According to assessors' onsite observations, there are speed limit signs and convex mirrors installed on the road on factory premises. However, the factory has not installed indicators or reflectors to ensure that workers use safe driving practices. [HSE.1]

Root Causes:

1. Management does not fully understand this requirement.

5. Finding Status (Not Remediated)

Explanation:

According to a document review, assessors' onsite observations, and management interviews, the factory does not take steps to reduce repetitive-motion stress and injuries. Seated workers do not have adjustable workstations or chairs with removable armrests and proper backrests. Standing workers do not have anti-fatigue mats. [HSE.17]

Root Causes:

1. Management does not realize the importance of ergonomics.

6. Finding Status (Remediated)

Explanation:

According to a document review, assessors' onsite observations, and management and worker interviews, the factory provides lifting belts to the loading workers. At the time of the assessment, the loading workers were wearing their lifting belts while working.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.17)

Recommendations for Immediate Action

1. Install indicators and reflectors for the traffic lanes.

New Findings and Action Plans

NEW FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory does not clearly define in writing the person responsible for the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; and Hours of Work. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

NEW FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not review or update its Environmental Protection policies and procedures. The current policies and procedures were created in 2015. [ER.1, ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31)

NEW FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not provide the fire brigade with the appropriate fire-fighting equipment, such as a breathing apparatus and fire-proof clothing and boots. [HSE.7]
2. Assessors observed a basket of fabric pieces placed beside an electrical box in the cutting workshop, posing a fire risk. [HSE.1, HSE.5]
3. The emergency action plans do not cover external parties, such as service providers or visitors. [ER.1, ER.31]

Local Law or Code Requirement

The Law of the China on Work Safety, Article 42; The General Guide for Safety of Electric User, Article 5.1.1; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.3, HSE.6, HSE.8, HSE.13, HSE.14 and HSE.31)

Recommendations for Immediate Action

1. <!--[endif]-->Provide appropriate equipment for fire brigade to fight fires.
2. <!--[endif]-->Remove the flammable materials from near the electrical box. Monitor the area to ensure that it remains clear.

NEW FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. During the assessment, one of the mechanics working in the embroidery workshop was not wearing the earplugs provided by the factory. [HSE.8]
2. The needle guards on 30% of the sewing machines in the sewing workshop are installed too high. As a result, the guards may not protect workers' fingers. [HSE.1, HSE.14]
3. The transmission belts on 5% of the sewing machines are not equipped with pulley guards. [HSE.1, HSE.14]
4. At the time of the assessment two trucks were parked in the walkway instead of the traffic lane causing workers to walk in the traffic lane in order to bypass the trucks. [HSE.5]

Local Law or Code Requirement

Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.8 and HSE.14)

Recommendations for Immediate Action

- <!--[endif]-->Retrain the mechanic on the proper use of PPE. Monitor to ensure compliance.
- <!--[endif]-->Reinstall the needle guards on the sewing machines at the proper height.

<!--[endif]-->Install pulley guards for the transmission belts on all sewing machines.

<!--[endif]-->Do not allow vehicles to park in the pedestrian walkway.

NEW FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not updated its business license as legally required. Currently, the address listed on the business license includes five blocks of buildings. However, the factory only occupies one two-story building. [HSE.1, HSE.4]
2. The factory does not track workers' illnesses. [HSE.3]
3. The factory does not review or update its Health & Safety policies and procedures. The current policies and procedures were created in 2015. [ER.1, ER.31]

Local Law or Code Requirement

Administrative Regulations of the People's Republic of China Governing the Registration of Legal Corporations, Article 17 (1988); FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.3, and HSE.4)

Recommendations for Immediate Action

<!--[endif]-->Update the address listed on the factory's business license as legally required.