



FAIR LABOR
ASSOCIATION[®]

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Dallas Cowboys Merchandising, Ltd.

COUNTRY: China

ASSESSMENT DATE: 07/30/18

ASSESSOR: Openview

PRODUCTS: Apparel

NUMBER OF WORKERS: 280

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.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. 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 on FLA Workplace Code of Conduct and Benchmarks. [ER.3, ND.2]

2. There are no policies or procedures regarding employees' specific career paths and skill development; therefore, the factory does not have specific career paths or skill development plans for employees. [ER.1, ER.28.1, ER.29]

Local Law or Code Requirement

Regulation on the Employment of the Disabled, Articles 8 and 9. FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.28 and ER.29; Nondiscrimination Benchmark ND.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Identify the steps the factory has taken to recruit disabled workers. Identify possible root causes for why the past steps have not been successful in finding disabled workers.
2. Please develop a policy and procedure to cover employees' career paths and skill development. Please develop specific career paths or skill development plans for employees.

Planned completion date

01/31/19

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory does not provide sufficient social insurance to employees. For example, in June 2018, only 107 out of 241 eligible employees (44%) were provided with work-related injury, maternity, pension, unemployment and medical insurance. The factory has provided commercial accidental injury insurance for all the employees, valid from August 18, 2017 to August 19, 2018 and has a maximum benefit amount of CNY 55,000 (USD 8,019) per employee. The findings were similar in the other 11 months reviewed in the past year. [ER.22, C.10]
2. The contribution base of the five types of social insurances is not in line with legal requirement. The contribution is based on CNY 3,287 (USD 479) per month rather than the workers' actual monthly wages (about CNY 3,500/USD 510) to CNY 6,000 (USD 875) per month. [ER.22, C.1, C.10]
3. The factory does not pay into the legally required Housing Provident Fund for any workers. [ER.22, C.1, C.10]

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. Provide all workers with all required social insurances.
2. Calculate social insurance contribution based on workers' actual monthly wages.
3. Pay into the legally required Housing Provident Fund.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Please continue to provide training for all employees on social insurance, and provide training records. Please also define the root cause for those who still need to be enrolled in the five types of social insurance, and develop a plan to address that cause(s).
2. Please provide the correct contribution amount to employees who are enrolled in social insurance.
3. Identify a plan and timeline to implement housing funding for workers. As part of that plan (and to help us to understand the timeline for implementation) please identify how much money per year the factory will spend on housing funding (based on the current work force).

Planned completion date

10/31/18

Company Action Plan Update

1. Migrant workers have expressed that they have not elected to pay into social insurance because they believe social insurance won't move with them when they return home. Factory is focusing on getting 100% of local workers to enroll in social insurance. Factory will continue to enhance worker awareness on social insurance, to help workers understand the importance of social insurance, and to encourage employees to enroll in social insurance. We've discussed with the factory the increased focus the government will be placing on Social Insurance participation in 2019. We expect improvement in this area due to that increased focus.
- 2.
3. Ningbo's required housing fund rate is 16% of employees' salary. 8% of that comes from the employer, the other 8% comes from the worker. Currently there are 275 workers at Guotai Yarui. Based on workers' average monthly income, Factory will pay 99,000 RMB for workers' housing funding each month, that is 1,188,000 RMB/year. Factory proposes to begin a phased implementation in 2019.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. According to the time records for the period from July 2017 to July 2018 and worker interviews, the monthly overtime for 95% of workers exceeded the legal limit of 36 hours in all months except for February 2018, with a maximum of 116 hours in November 2017. [HOW.1.1, HOW.8.1]

2. According to the time records for the period from July 2017 to July 2018 and worker interviews, working hours for 80% of workers exceeded 60 hours per week in 40% of the weeks in the reviewed period, with an average of 63 hours. The maximum weekly working hours were 69 in one week in September 2017. [HOW.1.3]
3. According to the time records for the period from July 2017 to July 2018 and worker interviews, about 80% of workers do not regularly receive one day off in every seven-day period. They worked a maximum of 13 consecutive days in July 2018, and with an average of 10 consecutive working days in the reviewed period. [HOW.1.1, HOW.2]
4. The factory production plan is based on a 60-hour work week. Factory management sets production targets, piece rates, or any other incentive or production system at a level such that workers need to work 20 overtime hours per week. [HOW.8.1]
5. The workers are required to ask for leave in advance with written leave application if they do not intend to work overtime on weekends such as Saturdays or Sundays for some reasons. All interviewed workers said that they could freely to choose not to work OT on weekends. [HOW.8.2]

Local Law or Code Requirement

China Labor Law, Articles 38 and 41; The China Labor Contract Law, Article 31. FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2, and HOW.8)

Recommendations for Immediate Action

1. Ensure overtime hours do not exceed the legal limit of 36 overtime hours per month.
2. Control the working hours so that they do not exceed 60 hours a week.
3. Provide at least one day off in every seven-day period for employees.
4. Ensure workers' overtime is voluntary.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Please provide an assessment of the root cause(s) for overtime. With the root cause identified, establish a plan on how the factory will address the root cause for future production to avoid excessive overtime.
2. Please provide your assessment of the root cause(s) for overtime. With the root cause identified, establish a plan on how the factory will address the root cause for future production to avoid excessive overtime.
3. Develop a work schedule that does not encourage employees to work on their rest days while at the same time avoiding excessive overtime. Employees should be educated on the health and safety impact of excessive overtime
- 4.
5. All overtime should be voluntary and mechanisms that discourage this should be avoided. Share with us why the factory asks workers to fill out a written leave application if they do not intend to work overtime on weekends. With that background, we will be in a better position to develop an effective action recommendation.

Planned completion date

10/31/18

Company Action Plan Update

1. Factory finds it difficult to balance compliance with labor market demands and industry norms. Also, Factory discussed that it experiences issues such as delayed purchase orders and rush orders with their other clients.
2. Factory finds it difficult to balance compliance with labor market demands and industry norms. Also, Factory discussed that it experiences issues such as delayed purchase orders and rush orders with their other clients.
3. Factory states that it experiences issues such as delayed purchase orders and rush orders with their other clients. This makes it difficult to pre-plan production. Factory is rotating workers off days based on their station of work in order to reach the 1 day off in 7 goal. For example, sewing line 1's workers are off today while sewing line 2-4's workers are at work. Sewing line 2's workers will be off tomorrow while every one else is at work. Factory will also continue to train all workers on working hours and overtime hours policies quarterly.
- 4.
- 5.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. There are no policies and procedures regarding Industrial Relations in the factory. [ER.26, FOA.1]

2. 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

FLA Workplace Code (Employment Relationship Benchmark ER.26; Freedom of Association Benchmarks FOA.1 and FOA.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Please develop a Industrial Relations Policy and Procedure for the factory. Please make sure this Policy and Procedure is communicated to the general work force.

Planned completion date

07/31/19

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The workers do not receive a copy of the workplace rules during orientation or written documentation that substantiates all the issues covered in orientation. [ER.15]

2. The factory's disciplinary system is incomplete. It does not cover the process of having a third party witness present during imposition and a worker appeal process. [ER.27.4]

3. The records of disciplinary actions are maintained in a centralized file but not in workers' personnel files. [ER.27.3.4]

4. Based on the disciplinary action record review, the workers do not sign the letter regarding disciplinary actions against them. [ER.27.3.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Please make sure that all work place rules and written documentation that substantiates all the issues covered in orientation are accessible for all employees.

2. Please have a third party witness present during impositions and appeal processes. Please include this in the factory's

disciplinary system policies and procedures.

3. Ensure that copies of disciplinary actions are kept within worker's personal files as well as a centralized file. Please add this to the factory's regular procedures.

4. Please make sure all workers sign the letter regarding disciplinary actions against them. Please include this in the factory's regular procedures.

Planned completion date

01/31/19

Company Action Plan Update

1. "Factory created copies of Work Place Rules and other orientation documents to hand out to workers. Factory will ensure every worker has a copy of the workplace rules and orientation documents.

2. Factory has updated their disciplinary system to include a third party witness be present during impositions and appeal processes. Disciplinary procedures are now witnessed by a third party.

3. Factory made copies of records of disciplinary actions and put them in workers' personal files.

4. Factory issued a notice to those employees who didn't sign their disciplinary action letters and asked them to review and sign the letter. Factory will assign designated employee to keep track of workers' disciplinary actions and make sure all workers who received disciplinary actions sign their letter.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

Although the factory has confidential grievance mechanisms in place, management does not maintain grievance records. Interviews with workers and management noted that some grievances have been raised in the last year, but they were handled verbally or through meetings with workers and no records were maintained. Worker interviews indicate that workers are aware of the grievance mechanisms. [ER.1.1, ER.25]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Please keep all records of any grievance raised as well as the factory's response.

Planned completion date

01/31/19

Company Action Plan Update

Factory has assigned designated employees to keep records of all worker grievances raised as well as the factory solutions.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. HSE management systems are being development. The general policy and procedure do not meet the necessary requirements to identify and minimize the risk of production processes, which should include:

- a) Steps on how to ensure that all personnel, visitors, contractors, service providers are safely evacuated;
- b) Steps on how to identify all special categories of workers;

- c) A list of equipment and/or machines that require lockout/tagout;
- d) Steps for reporting death, injury, illness, and other health and safety issues;
- e) A Guidance document for external contractors/service providers concerning health and safety. [ER.31, HSE.14.1]

2. The factory has not commissioned a government-accredited third party to conduct an updated Assessment of the Current Condition of Occupational Disease Hazards. [HSE.1]

3. The factory does not conduct ergonomics management for workers, e.g. taking steps to reduce repetitive-motion stress/ injuries and providing adjustable workstations for sitting workers. There are no removable armrests or proper backrests on chairs for seated workers. There are no anti-fatigue mats provided for workers who work in a standing position. [HSE.17.1]

4. Traffic lanes and walking paths are not marked on the factory premises. The factory has neither assessed nor adopted any visual management aids to ensure that workers use safe driving practices on factory premises, such as indicators, convex mirrors on blunt ends, reflectors etc. [HSE.5.1]

5. The factory does not provide safety information to contractors. [ER.31.1]

Local Law or Code Requirement

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 17 & Article 18; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20. FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety and Environment Benchmarks HSE.1, HSE.5, HSE.14, and HSE.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. "Please include the following in the factory's general policy and procedures: a) Steps on how to ensure that all personnel, visitors, contractors, and service providers are safely evacuated;
- b) Steps on how to identify all special categories of workers;
- c) A list of equipment and/or machines that require lockout/tagout;
- d) Steps for reporting death, injury, illness, and other health and safety issues; and
- e) A guidance document for external contractors/service providers concerning health and safety."
2. Please get a qualified third party to conduct an Assessment of the Current Condition of Occupational Disease Hazards.
3. Ergonomic assessment should be a part of the risk/safety analysis for each job function. Incorporate this into the factory's process through: 1) ergonomic training for employee(s) responsible for conducting this analysis; 2) providing applicable ergonomic support (e.g. chairs with backs, adjustable work stations, floor mats) for workers; and 3) training workers on ergonomics.
4. Please mark traffic lanes within the factory's premises. Please adopt visual management aids such as indicators, convex mirrors on blunt ends, reflectors etc. to ensure workers use safe driving practices.
5. Please identify contractors the factory is currently using. Please provide safety information to these contractors.

Planned completion date

01/31/19

Company Action Plan Update

1. Factory is working on updating its policies and procedures as noted.
2. The factory has been in contact with a suitable third party and is expected to undergo an Assessment of the Current Condition of Occupational Disease Hazard in March 2019.
3. Factory has provided workers with floor mats and chairs with backs. Some workers, however, have expressed that they did not like the chairs with backs and have opted to not use them. Factory is exploring other ergonomic improvements at the facility. Ergonomic education will be incorporated into worker training.
4. Factory has set up vehicle access and pedestrian entrances at the gate. Factory will discuss with the landlord on setting up visual management aids at the entrance.
- 5.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory employs two workers who should be provided with occupational health examinations: one worker who uses chemicals during work, the other worker works in a noisy environment. The factory only provides occupational health examinations for them during the course of their work and does not provide them with examinations before and after workers hold their work positions. [HSE.1]
2. The chemical being used onsite, JJW cleaner, is neither installed with secondary containment nor posted with MSDS. [HSE.10.1]
3. No eye washing facility is equipped in the cleaning area, where chemicals is being used. [HSE.8]
4. Approximately 40% of sewing workers remove the eye shields from the sewing machines during work. [HSE.8]
5. Approximately 60% of sewing machines are not installed with protective needle guards. [HSE.14.1]

Local Law or Code Requirement

The China Law of Prevention and Control of Occupational Diseases, Articles 25 and 36; The Regulation for Safety of Dangerous Chemical, Article 20; The Regulation of Chemical Safety Usage in Workplace, Article 12; The Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.8, HSE.10 and HSE.14)

Recommendations for Immediate Action

1. Provide occupational health examinations for the appropriate workers before, during, and after working at these positions.
2. Equip secondary containment and MSDS in chemical usage area.
3. Install eyewash facility in cleaning area.
4. Require sewing workers to use eye shields properly.
5. Install need guards for all sewing machines.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Incorporate occupational health examinations (pre- and post-employment) for workers with roles that expose them to potentially dangerous situations (e.g., chemical use or noisy environments). Continue to conduct occupational health exams during employment.
2. Provide a secondary container for JJW, and post MSDS on the wall.
3. Please install a proper eye wash station in the cleaning area.
4. It is the factory's responsibility to ensure that workers both have the appropriate PPE and use the PPE properly and regularly. Please require line leaders to check that all workers in their station have the required PPE before they start working. Line leaders should also conduct regular walk throughs to ensure worker usage of PPE.
5. It is the factory's responsibility to ensure that workers both have the appropriate PPE and use the PPE properly and regularly. Please require line leaders to check that all workers in their stations have the required PPE before they start working. Line leaders should also conduct regular walk throughs to ensure worker usage of PPE.
5. It is the factory's responsibility to ensure that workers both have the appropriate PPE and use the PPE properly and regularly. Please require line leaders to check that all workers in their stations have the required PPE before they start working. Line leaders should also conduct regular walk throughs to ensure worker usage of PPE.
5. It is the factory's responsibility to ensure that workers both have the appropriate PPE and use the PPE properly and regularly. Please require line leaders to check that all workers in their stations have the required PPE before they start working. Line leaders should also conduct regular walk throughs to ensure worker usage of PPE.

Planned completion date

10/31/18

Company Action Plan Update

1. Factory updated it health examination procedures to include occupational health examinations pre- and post-employment for workers who are exposed to potentially dangerous situations. Results will be shared with each individual. Factory will continue to provide annual occupational health examination to all workers.
2. Factory immediately provided secondary containment for JJW cleaner and posted the MSDS on the wall.
3. An eye washing station has now been installed in the cleaning area.
4. Factory assigned line leaders to check all workers' PPE before they start working. Line leaders are also required to complete regular walk throughs to ensure worker PPE use.
5. It is the factory's responsibility to ensure that workers both have the appropriate PPE and use the PPE properly and regularly.

Please require line leaders to check that all workers in their stations have the required PPE before they start working. Line leaders should also conduct regular walk throughs to ensure worker usage of PPE.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no rescue equipment available for the confined spaces in the factory. [HSE.13]
2. Combustible materials (plastic bags) are stored under the stairwell on the first floor of the production building. [HSE.1, HSE.5.1]
3. The fire extinguishers are partially blocked by materials. [HSE.1, HSE.5.1]
4. The factory does not provide the fire brigade with the appropriate equipment including PPE to fight fires. [HSE.6.1]
5. During the factory tour, the assessors found that many places, such as the toilet and the steam machine storage area in workplaces are covered with dirt. [HSE.19, HSE.20]
6. The factory does not track and conduct statistical analysis for workers' illnesses. [HSE.3.2]

Local Law or Code Requirement

The Code of Design on Building Fire Protection and Prevention, Article 6.4.1; The China Fire Prevention Law, Article 28. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.5, HSE.6, HSE.13, HSE.19, and HSE.20)

Recommendations for Immediate Action

1. Provide rescue equipment for the confined spaces.
2. Remove the combustible materials from the stairwell.
3. Keep the fire extinguishers free from blockage.
4. Provide fire-fighting equipment for the fire brigade free of charge.
5. Maintain clean in toilets as well as all workplaces.
6. Conduct statistical analysis for workers' illnesses.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The confined spaces in the factory are elevator shafts. Factory has equipped these spaces with breathing apparatus, gas mask, communication equipment, safety rope and emergency equipment. Factory assigned a designated employee to check and update the equipment as needed on a quarterly basis.
2. Factory removed the combustible materials stacked under the stairwell on the first floor of the production building. Factory's next step is to update training.
3. Factory removed the materials that were blocking the fire extinguishers. Factory's next step is to include it in the factory's fire safety training to ensure all workers understand to not block any fire extinguishers.
4. Following the factory's review, it already has fire extinguishers, fire hoses, and first aid kits. It purchased fireproof clothes and lifelines and is in the process of acquiring helmets.
5. Factory immediately arranged employees to clean the dust covered areas. Factory also assigned designated employees to conduct walk throughs weekly to ensure the cleanliness of the facility.
6. Factory assigned designated employees to keep records of workers' illnesses and analyze these records to ensure these illnesses are not related to the working environment.

Planned completion date

10/31/18

Company Action Plan Update

2. Factory removed the combustible materials stacked under the stairwell on the first floor of the production building. Factory's next step is to update training.
3. Factory removed the materials that were blocking the fire extinguishers. Factory's next step is to include it in the factory's fire safety training to ensure all workers understand to not block any fire extinguishers.
4. Following the factory's review, it already has fire extinguishers, fire hoses, and first aid kits. It purchased fireproof clothes and lifelines and is in the process of acquiring helmets.
5. Factory immediately arranged employees to clean the dust covered areas. Factory also assigned designated employees to conduct walk throughs weekly to ensure the cleanliness of the facility.
6. Factory assigned designated employees to keep records of workers' illnesses and analyze these records to ensure these illnesses are not related to the working environment.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have a statement of the factory management's support of energy and water efficiency and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials, and other applicable environmental risks. [ER.31.1]
2. The factory does not have the procedures that enable workers to raise and report environmental concerns or procedures to protect workers who allege environmental violations. [ER.31.2.4, ER.31.2.6]
3. The factory does not communicate its environmental protection program to the general workforce. [ER.31.1, HSE.2]
4. The factory does not communicate its health & safety procedures to the general workforce. [ER.30.2, HSE.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.30 and ER.31; Health, Safety & Environment Benchmark HSE.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Discuss with factory management the need for a statement of support of energy and water efficiency and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials, and other applicable environmental risks. Develop a statement regarding the management's view on these areas.
2. Develop a process for workers to be able to raise and report environmental concerns. This process can utilize the factory's regular grievance channels. Please communicate the process to all workers through training and/or worker bulletin boards.
3. Please communicate the factory's environmental protection program in a way that is accessible to all workers (e.g., bulletin board, WeChat, training or factory's website).

Planned completion date

01/31/19

Company Action Plan Update

1. The factory management team met to discuss its support of energy and water efficiency and a commitment to minimize impacts regarding air emissions, waste, hazardous materials, and other applicable environmental risks. It developed a "Environmental Protection Commitment" that memorializes its support in these areas.
2. Factory has updated their grievance policy to include environmental concerns and also updated their worker training accordingly.
3. Factory posted the Environmental Protection Program on the bulletin board and encouraged employees to make recommendations. Factory has also provided environmental protection training to all workers..
4. Factory posted the Health & Safety procedures on the bulletin board and encouraged employees to make recommendations. Factory will continue to provide health and safety trainings to all workers quarterly.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The orientation training for workers is missing for the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination and Retrenchment. [ER.1.2, ER.15.1]

2. The factory does not conduct ongoing training for workers for any of the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination and Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; Environmental Protection. [ER.15.2, ER.1.2, ER.17.3]

3. The factory does not provide specific training to managers and supervisors regarding the following Employment Functions: Termination & Retrenchment; Industrial Relations; Environmental Protection. [ER.17.1, ER.17.2, ER.27.2]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Update orientation training to include a review of these employment functions: Recruitment, Hiring & Personnel Development; and Termination & Retrenchment. For workers who went through prior orientation training, provide them with training on these functions so that all employees in the factory are aware of the factory's policies and procedures in these areas.

2. Update general employee training to include: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; and Environmental Protection.

3. Develop manager and supervisor training on Termination & Retrenchment; Industrial Relations; and Environmental Protection. Please make these trainings mandatory and on going for all managers and supervisors.

Planned completion date

01/31/19

Company Action Plan Update

1. Factory developed training material regarding Recruitment, Hiring & Personnel Development; and Termination & Retrenchment for all employees. These trainings will be included in the future orientations. Regular trainings regarding these topics will also be provided to all workers quarterly.

2. Factory assigned designated employees to be responsible for conducting training and training plan development. Factory will provide quarterly trainings to all workers on Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; and Environmental Protection.

3. Factory has developed training regarding the Termination & Retrenchment; Industrial Relations; and Environmental Protection for managers and supervisors and updated the training plan to reflect this. Factory will provide training quarterly.

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not periodically review and update the policies and procedures for the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination and Retrenchment; Workplace Conduct; Grievance System; Health and Safety; Environmental Protection. [ER.1.3, ER.30.2]

2. The factory does not clearly define the responsible/ accountable person(s) in writing for the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination and Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; Environmental Protection. [ER.31.2]

3. There is no management sign off (personal accountability) on the factory's policies and procedures. [ER.1.2]

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Develop a procedure to periodically review and update the policies and procedures for Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Workplace Conduct; Grievance Systems; Health & Safety; and Environmental Protection. This procedure should include a designated person responsible for such review and specify at what intervals the review/updates will occur.
2. Identify a responsible/accountable person(s) for each of the following functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; and Environmental Protection. Include these responsibilities as part of their job descriptions.
3. Ensure that all current policies and procedures are reviewed, stamped and signed by the General Manager. Please also include manager sign offs as part of the factory's regular written procedure review process.

Planned completion date

01/31/19

Company Action Plan Update

1. Factory assigned designated employees to review and update on a monthly basis for policies and procedures for Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Workplace Conduct; Grievance Systems; Health & Safety; and Environmental Protection.
- 2.
3. All policies and procedures have been reviewed, stamped, and signed by the General Manager.