



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Kathmandu  
COUNTRY: China  
ASSESSMENT DATE: 12/12/17  
ASSESSOR: Elevate  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 950

## 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: Training (Macro)

##### Finding Explanation

1. The factory has not provided supervisors or the general workforce with specific and ongoing training for the Grievance Procedures, Workplace Conduct & Discipline, and Environmental Protection. ER.1, ER.17, ER.27
2. The factory does not provide training on workplace conduct to the relevant HR personnel and administrative staff. ER.27
3. The factory does not provide orientation training on Workplace Conduct & Discipline or Health and Safety for new workers. ER.15

##### Local Law or Code Requirement

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

#### COMPANY ACTION PLANS

##### Action Plan no 1.

###### Description

IA  
Provide supervisors and the general workforce with specific and ongoing training on Grievance Procedures, Workplace Conduct & Discipline, and Environmental Protection.

- SI
1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
  2. Include such training on Grievance Procedures, Workplace Conduct & Discipline, and Environmental Protection for managers and supervisors upon appointment and/or promotion
  3. Create system to monitor and record such training

##### Action Plan no 2.

###### Description

IA Provide training on workplace conduct to the relevant HR personnel and administrative staff. SI 1. Train HR and relevant administrative staff on workplace conduct. 2. Include this training in worker orientation and trainings. 3. Create system to record the fact that HR and admin staff have received such training. 4. Monitor implementation

### Action Plan no 3.

#### Description

IA Provide orientation training on Workplace Conduct & Discipline or Health and Safety for new workers. SI 1. Train HR and relevant training staff to provide orientation training on Workplace Conduct & Discipline or Health and Safety for new workers 2. Include this training in all new worker orientation and trainings. 3. Create system to record the fact that all new staff have received such training. 4. Monitor implementation

### Action Plan no 4.

#### Description

N/A

#### Company Action Plan Update

All trainings are provided.

## FINDING NO.2

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

#### Finding Explanation

1. It was noted that all workers received wages around 6 to 24 days late during the past 12 months. For example, the wages for October 2017 were paid on December 9th, 2017. The longest delay payment was 24 days late for the work performed in May 2017. C.4, ER.18
2. It was noted that a total of 475 employees were eligible to receive five types of social insurances in November 2017, however, only 445 employees were enrolled in pension insurance, and only 447 in unemployment insurance, child-bearing insurance, medical insurance, and occupational injury insurance. Furthermore, the factory calculates the contribution base for all workers was at a lower base than their actual earning. ER.22, C.10
3. Discrepancies were noted between production-related records and electronic time records. Therefore, exact working hours and compensation could not be verified during the assessment.
  - a. The production records in sewing section showed records on October 29, 2017, November 19, 2017 and November 26, 2017(Sundays); however, the attendance records provided by management showed that the relevant workers in the factory rested on these days.
  - b. The waterproof testing report in sealant installing section showed that there were working records on November 26th, December 10th, 2017 (Sundays); however, the attendance records provided by management showed that the relevant worker rested on both days.
  - c. The factory management representative admitted that some workers were temporarily asked by line leaders to work overtime on Sunday due to tight production plan. ER.2, ER.23, HOW.2
4. Since most worker's wages are calculated by piece rate basis, the does not strictly require workers to use the fingerprint attendance system. ER.2, ER.23, HOW.2

#### Local Law or Code Requirement

PRC Labor Law article 50, PRC Labor Law article 72, FLA Workplace Code and Benchmarks (Employment Relationship Benchmarks C.4, ER.18, ER.22, C.10, ER.2, ER.23, Hours of Work Benchmarks HOW.1, HOW.2)

#### Recommendations for Immediate Action

- 1.Improve the efficiency of workers' wages calculation, adjust pay date, and ensure workers' wages can be paid within 1 month after the working period.
- 2.Maintain and provide accurate and complete timecard and payroll records to ensure the minimum wage, overtime wage, and working hours can be verified.

### COMPANY ACTION PLANS

#### Action Plan no 1.

#### Description

IA Improve the efficiency of workers' wages calculation, adjust pay date, and ensure workers' wages can be paid within 1 month after the working period. SI 1. Train HR and related personnel on payments of social insurance. 2. Create system to monitor the timely payment of social insurance. 3. Ensure payments for social insurance to workers are timely, accurate and correct. 4.

Implement contributions.

## Action Plan no 2.

### Description

IA

1. Review current factory practice and legal requirements regarding social insurance payments and amounts paid.
2. Identify discrepancies, and reason for the discrepancies.
3. Calculate the correct amounts to comply with legal contributions.
4. Implement the correct payments to workers.

SI

1. Train HR and related personnel on payments of wages for all staff in timely manner.
2. Create system to monitor the timely payment of wages.
3. Ensure payments for workers are timely and accurate.
4. Implement contributions.

## Action Plan no 3.

### Description

IA Maintain and provide accurate and complete timecard and payroll records to ensure the minimum wage, overtime wage, and working hours can be verified SI 1. Train HR and related personnel regarding the need for a consistent policy and procedure on payment of workers. 2. Communicate this one consistent system to workers and post on bulletin boards, include in worker handbook, orientation and training as to the new policy. 3. Implement new system. 4. Monitor implementation

## Action Plan no 4.

### Description

IA Maintain and provide accurate and complete timecard and payroll records to ensure the minimum wage, overtime wage, and working hours can be verified SI 1. Train HR and related personnel regarding the need for a consistent policy and procedure on payment of workers. 2. Communicate this one consistent system to workers and post on bulletin boards, include in worker handbook, orientation and training as to the new policy. 3. Implement new system. 4. Monitor implementation

## Action Plan no 5.

### Description

2. N/A Continuous Improvement 3. Continuous Improvement

### Company Action Plan Update

1. Corrected. 2. N/A Continuous Improvement 3. Continuous Improvement

## FINDING NO.3

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Hours of Work

#### Finding Explanation

1. All of the sampled workers' monthly overtime working hour ranged from 48 hours to a maximum of 89.5 hours during November 2016 to December 2017, and 80% of the sampled workers' monthly overtime hours ranged from 52 to 89.5 hours in October 2017, August 2017 and March 2017. The average monthly overtime was 76 hours. The highest monthly overtime (89.5 hours) occurred in October 2017.

HOW.1

2. In several cases, the factory did not provide one day (24 consecutive hours) of rest for every seven-day period. In the month of August 2017, 70% of workers in the cutting, sewing, sealant installing, pressing, inspection and packing sections worked through of their weekly rest days due to an adjustment of one rest days to another working day by factory. This resulted of workers in these sections working seven continuous days (August 21st, 2017 to August 27th, 2017) without a rest day. Furthermore, according to local law, working on a

weekly rest day is considered overtime, for which workers are entitled to a substitute day off within three working days, which the factory did not provide. HOW.1, HOW.2

3. Discrepancies were noted between production-related records and electronic time records. Therefore, exact working hours and compensation could not be verified during the assessment.

a. The production records in sewing section showed records on October 29, 2017, November 19, 2017 and November 26, 2017(Sundays); however, the attendance records provided by management showed that the relevant workers in the factory rested on these days.

b. The waterproof testing report in sealant installing section showed that there were working records on November 26th, December 10th, 2017 (Sundays); however, the attendance records provided by management showed that the relevant worker rested on both days.

c. The factory management representative admitted that some workers were temporarily asked by line leaders to work overtime on Sunday due to tight production plan. ER.2, ER.23, HOW.2

#### Local Law or Code Requirement

PRC Labor Law article 41, PRC Labor Law article 38, FLA Workplace Code (Employment Relationship Benchmarks ER.2, 23; Hours of Work Benchmarks HOW.1 and HOW.2)

#### Recommendations for Immediate Action

Arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

Factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and ensure every worker enjoy at least 1 day off in a week. Develop a work schedule that limits overtime and does not encourage employees to work on their rest days.

Maintain and provide accurate and complete timecard and payroll records to ensure the minimum wage, overtime wage and working hours could be verified.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

Arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

SI

1. Train HR and related personnel on hours of work, legal requirements related to it and a system to record and limit overtime and encourage workers to take their rest days.

2. Communicate the legal requirements with workers and post on bulletin boards, include in worker handbook, orientation and trainings.

3. Create system to monitor hours of work, overtime and rest days.

4. Monitor implementation.

### Action Plan no 2.

#### Description

IA

Factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and ensure every worker enjoy at least 1 day off in a week. Develop a work schedule that limits overtime and does not encourage employees to work on their rest days.

SI

1. Train HR and related personnel on hours of work and legal requirements related to it and a system to record and limit overtime.

2. Communicate the legal requirements with workers and post on bulletin boards, include in worker handbook, orientation and trainings.

3. Create system to monitor hours of work and overtime.

4. Monitor implementation.

### Action Plan no 3.

#### Description

IA (Same as 2.3) Maintain and provide accurate and complete timecard and payroll records to ensure the minimum wage, overtime

wage and working hours could be verified. SI 1. Train HR and related personnel regarding the need for a consistent policy and procedure on payment of workers. 2. Communicate this one consistent system to workers and post on bulletin boards, include in worker handbook, orientation and training as to the new policy. 3. Implement new system. 4. Monitor implementation

#### Action Plan no 4.

##### Description

Continuous Improvement

##### Company Action Plan Update

Continuous Improvement

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

1. 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 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 does stipulate 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, FOA.10, FOA.13

2. Several union representatives were nominated by management based on their performance. FOA.11

##### Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmarks FOA.2, FOA.10, FOA.11, and FOA.13)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

IA Ensure workers have the freedom to form a worker representative group, or union, even if not to FLA standards. The goal being for workers to have some sort of avenue for communication with management.

#### Action Plan no 2.

##### Description

IA Ensure workers, not management, have the freedom to form a worker representative group, or union, even if not to FLA standards. The goal being for workers to have some sort of avenue for communication with management.

#### Action Plan no 3.

Description

N/A

Company Action Plan Update

N/A

## FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

Finding Explanation

1. While the factory has policies and procedures for the grievance process, they do not maintain complaints and grievances records for review. ER.2
2. The factory suggestions boxes are located next to the security room, and do not provide any anonymity for workers submitting complaints. Therefore the workers expressed that they do not feel comfortable using this grievance channel. ER.25

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.25)

### COMPANY ACTION PLANS

#### Action Plan no 1.

Description

IA

Keep a record of all complaints and grievances.

SI

1. Create or amend grievance policy to include a system of recording complaints and grievances and following up on them in a timely manner and who is Health and safety Policy and Procedure addressing safe use of machinery and guards on machines
2. Provide Health and safety training to all employees on the safe use of machinery and ensuring that all machines have guards attached before using.
3. Create a procedures for the monitoring of safe use of the sewing machines.

#### Action Plan no 2.

Description

IA Place factory suggestion box in a place away from security room and management so that workers can feel free to submit complaints without fear. SI 1. Include in the aforementioned Grievance Policy that the suggestion box should be placed within the factory in a place that assures anonymity and protection for workers.

#### Action Plan no 3.

Description

N/A

Company Action Plan Update

5.1 The factory has created a template to record grievance.

5.2 The factory has removed the suggestion box to production floor.



## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have any written policies and procedures for Environmental Protection or Health and Safety. ER.31, HSE.1
2. The factory does not have an appropriate system to respond to any unexpected environmental emergency such as chemical spills or gas leak. HSE.5
3. The factory has not identified if on-site operations generate any negative environmental impacts. ER.31
4. The factory does not maintain documentation in relation to environmental protection. HSE.2
5. The factory does not communicate its environmental protection program to the general workforce, including new workers. ER.1
6. The factory does not designate the person(s) responsible for environmental protection in any of the departments within the factory. ER.1
7. The factory has not compiled an environmental impact report, filled out the environmental impact registration form, applied for approval at the local environment department, or received the environmental registration. HSE.4
8. The factory has not obtained a completion acceptance report for their environmental construction project and the registration records. HSE.4
9. There is hazardous waste in the factory, including empty gluing containers, that is transferred to a normal waste recycling center. HSE.1, HSE.4

Local Law or Code Requirement

PRC Environmental Impact Assessment Law article 16; The Implementation Program of Reforming Environmental Impact Assessment in "13th Five-Year", Article 9 (the "three simultaneous" management innovation); PRC Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 57; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.31, ER.17; Health, Safety & Environmental Protection Benchmarks HSE.1, HSE.2, and HSE.4)

Recommendations for Immediate Action

1. The factory should compile the Environmental Impact Report, fill out the Environmental Impact Registration Form, and obtained the approval or registration documents.
2. Conduct the acceptance check for their environmental construction project and keep registration records of environmental protective department.
3. Ensure that hazardous waste is sent to a legally registered hazardous waste collector.

## COMPANY ACTION PLANS

## Action Plan no 1.

Description

- IA
1. Review written policies and procedures and legal requirements for Environmental Protection and Health and Safety.
  2. Identify what needs to be done to create the necessary written policies and procedures for Environmental Protection and Health and Safety
  3. Identify who is responsible for doing so.
  3. Implement action by directing them to create the necessary policies and procedures.

## SI

1. Review current environmental and health and safety procedures
2. Train HR and related personnel on new policies and procedures and all changes

## Action Plan no 2.

Description

- IA
1. Review legal requirement as well as procedures on responding to any environmental emergency such as chemical spills or gas leak.
  2. Identify what needs to be done to create such procedures.
  3. Identify who is responsible for doing so.
  4. Create relevant policy and procedures.



SI

1. Review current environmental policy and procedures
2. Train HR and related personnel on changes
3. Include changes on worker orientation and trainings.
4. Create system to monitor incidents that have an environmental impact
5. Monitor implementation

### Action Plan no 3.

#### Description

IA Keep all documents and records of environmental protective department. SI 1. Appoint relevant HR and related personnel to be responsible for maintaining documentation in relation to environmental protection. 2. Include such training for staff involved. 3. Monitor implementation

### Action Plan no 4.

#### Description

IA Conduct the acceptance check for their environmental construction project and keep registration records of environmental protective department. SI 1. Appoint relevant HR and related personnel to be responsible for training and education within the factory 2. Include such training for managers and supervisors upon appointment and/or promotion 3. Create system to monitor and record such training 4. Monitor implementation

### Action Plan no 5.

#### Description

- IA
1. Develop training materials to communicate the factory environmental protection program to the general workforce, including new workers.
  2. Provide such training to workers.
  3. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory
2. Include training on the communication of environmental protection program to the general workforce, including new workers.
3. Create system to monitor and record such training
4. Monitor implementation

### Action Plan no 6.

#### Description

- IA
1. Review all environmental law and local policy as it relates to environmental impact
  2. Identify and appoint someone responsible for assessing, monitoring and addressing environmental issues and impact.
  3. Provide education on environmental issues to all workers and respond to questions.

SI

1. Review current environmental policy and procedures
2. Revise policies to align with legal requirements.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor incidents that have an environmental impact
6. Monitor implementation

### Action Plan no 7.

#### Description

- IA
1. Review all environmental law and local policy as it relates to environmental impact
  2. Identify and appoint someone responsible for assessing, monitoring and addressing environmental issues and impact.
  3. Have them complete an environmental impact report, fill out the environmental impact registration form, and apply for approval

at the local environment department and obtain the environmental registration.

SI

1. Review current environmental policy and procedures including the recording of all environmental law and local policy as it relates to environmental impact
2. Identify and appoint someone resp

#### Action Plan no 8.

##### Description

IA 1. Obtain a completion acceptance report for their environmental construction project and the registration records. SI 1. Train HR and related personnel on maintaining the report for their environmental construction project and registration records. 2. Create system to record all relevant approvals and records. 3. Monitor implementation.

#### Action Plan no 9.

##### Description

IA Ensure that hazardous waste is sent to a legally registered hazardous waste collector. SI 1. Review current waste policy and procedures 2. Revise policies to align with legal requirements of management and disposal of hazardous waste 3. Train HR and related personnel on changes 4. Include changes on worker orientation and training.

#### Action Plan no 10.

##### Description

N/A

##### Company Action Plan Update

6.1 The factory had created policies & procedures

6.2 The factory had created system, procedure

6.3 Done

6.4 Done

6.5 Done

6.6 Department was set up since 31/Jan/2018, Mr Zhou Chang Sheng

6.7 Done

6.8 Updated report

6.9 Hazardous waste was transferred to a recycling center since 31/1/2018

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

### Finding Explanation

1. Eye-shield are not install on any of the high-speed sewing machines in the factory. HSE.14
2. The factory does not provide activated carbon masks to the gluing workers and earplugs to workers in embroidery workshop. HSE.7
3. Anti-fatigue mats are not provided for standing workers in the cutting, embroidery, and pressing workshop. There are no backrests on the seats in any of the workshops. HSE.17
4. The factory has not implement a lockout-tagout program. HSE.14
5. No guardrail has been installed on the platform at the second floor of the production building. HSE.14
6. The factory does not have the Construction Safety Approval for the one block of 1-storey brief production building (1846 square meters), which was built in 2001. HSE.4
7. The has not conducted regular testing of occupational hazardous factors records for past 12 months. HSE.1
8. The factory does not conduct occupational disease health checks for its workers in loud areas and areas where workers are exposed to chemicals.HSE.1
9. One worker who operates the cargo lift certificate was expired on April 2017. HSE.4

### Local Law or Code Requirement

Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene; PRC Safety Manufacturing Law article 42; Safety Requirements for Fxed Steel Ladders and Platform - Part 3: Industrial guardrails and steel platform; PRC Construction Law article 61 (Effective from March 1, 1998); Regulations of Occupational Hazardous Factor Regular Testing, Article 4; PRC Occupational Disease; Prevention Law article 35; PRC Special Equipment Quality Safety Monitoring Regulation article 38; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Employment Benchmarks HSE.1, HSE.7, HSE.8, HSE.14, HSE.17, and HSE.25)

### Recommendations for Immediate Action

1. Equip safety eye-shields to all high-speed sewing machines. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts.
2. Provide appropriate PPE to workers in gluing workers and workers in embroidery workshop. Furthermore, the factory shall provide regular PPE training to workers, conduct regular PPE safety inspection at work place, and develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.
3. Provide anti-fatigue mats for standing workers in the cutting, embroidery and sealant installing workshop and backrests for seats in other workshops.
4. Implement a Lockout-tagout systems to control hazards during machine maintenance.
5. Install guardrails on the platform in the production building.
6. The factory should ensure its construction project is handed over for use upon passing the acceptance checks and obtained the registration record. Conduct a third party building safety appraisal.
7. Conduct testing of factors of occupational hazards at least once a year according to legal requirements.
8. Provide occupational health check to workers exposing to occupational disease harm.
9. Ensure that all relevant workers obtain proper and valid certificates before operating equipment.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

Adjust the fire extinguishers to proper height immediately (the bottom of fire extinguishers to the floor should not less than 0.08m and the top of the fire extinguishers to the floor should below 1.50m)

SI

1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the fire hydrants, hoses and nozzles.
2. Provide training or source external training for all employees who need to be certified in this testing.
3. Create procedures to ensure that there is a regular testing of this equipment.

### Action Plan no 2.

#### Description

IA Ensure all workstation exits are unobstructed. SI 1. Create or amend Health and Safety Policy and Procedure addressing maintaining clear workstations free of obstruction. 2. Provide Health and safety training to all employees on identifying any obstructions. 3. Create procedures for the regular checking of all workstations, pathways and exits.

### Action Plan no 3.

#### Description

IA Ensure that the horizontal distance between two fire exits is no less than 5.0 m. SI 1. Create or amend Health and Safety Policy and Procedures addressing all evacuation exits. 2. Provide training and source the necessary equipment to ensure all evacuation exits are clear, current and at least 5m apart. 3. Create procedures to ensure that exits and evacuation pathways are regularly checked and more than 5m apart.

#### Action Plan no 4.

##### Description

IA Install exit signs on the emergency exits of canteen. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the emergency exit lights. 2. Provide training or source external training for all employees who need to be certified in testing the emergency exit lights. 3. Create procedures to ensure that there is a regular testing of the emergency exit lights.

#### Action Plan no 5.

##### Description

IA Install emergency lights at all emergency exits. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the emergency exit lights. 2. Provide training or source external training for all employees who need to be certified in testing the emergency exit lights. 3. Create procedures to ensure that there is a regular testing of the emergency exit lights.

#### Action Plan no 6.

##### Description

IA Install a visual fire alarm in high noise areas. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the backup power supply. 2. Provide training or source external training for all employees who need to be certified in testing the backup power supply. 3. Create procedures to ensure that there is a regular testing of the backup power supply.

#### Action Plan no 7.

##### Description

IA Provide a backup power supply for the emergency alarm system. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the emergency exit lights and visual alarms. 2. Provide training or source external training for all employees who need to be certified in testing the emergency exit lights and visual alarms. 3. Create procedures to ensure that there is a regular testing of the emergency exit lights and visual alarms.

#### Action Plan no 8.

##### Description

IA  
The employee dormitory should not be located alongside production workshops or warehouses, the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection.

SI  
1. Create or amend Health and Safety Policy and Procedure addressing fire safety.  
2. Provide training or source external training for all employees who are responsible for fire safety.  
3. Create procedures to ensure that the fire safety reports and necessary approvals are regularly updated and maintained.

#### Action Plan no 9.

##### Description

IA Re-install all factory doors to be open in the direction of evacuation. SI 1. Create or amend Health and Safety Policy and Procedure addressing fire safety and fire exits. 2. Provide training or source external training for all employees who are responsible for fire risk assessment. 3. Create procedures to ensure that the fire safety exits and doors comply with all legal and fire safety regulations.

#### Action Plan no 10.

#### Description

IA Obtain relevant fire service certificate or record for review. SI 1. Create or amend Health and Safety Policy and Procedure addressing fire safety and building fire safety approval. 2. Provide training or source external training for all employees who are responsible for fire risk assessments. 3. Create procedures to ensure that the the fire safety checks and approvals are completed and comply with all legal and fire safety regulations.

#### Action Plan no 11.

#### Description

N/A

#### Company Action Plan Update

7.1 Eye protector provided since 31/Jan/2018

7.2 Activated arbon mark was provided to the gluing worker & embroidery worker since 31/1/2018

7.3 Chair with back support was provided to the related worker since 31/Jan/2018

7.4 There is sign available now since 2018 Jan 31.

7.5 Handrail was installed

7.6 Fire system was set up

7.7 Occupational hazard test was done once per year since 1/Jan/2018

7.8 Occupational health check was done

7.9 Got update certificate on 1/Jan/2018, valid until 2022/Feb

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Three fire extinguishers in the sewing workshop at the second floor of the production building are placed directly on the floor. HSE.6
2. Eight sewing workstation are fully blocked by cloth material HSE.5
3. The horizontal distance between two emergency exits in embroidery workshop was only 0.5 m, while legal requirements state that emergency exits must be at least 5 m apart. HSE.5
4. There is no exit sign on one of the two emergency exits in the canteen, and the exit sign installed on the other emergency exit is not illuminated. HSE.5
5. No emergency lights are installed at the emergency exit in the raw material warehouse, and at both of the exits in canteen. HSE.5
6. The factory does not have a visual fire alarm in the embroidery workshop, where there are high noise levels. HSE.5
7. No backup power supply is provided for the emergency alarm system. HSE.5
8. The first floor of the dormitory building, occupied around 1000 square meters, is used as workshop for a different factory. The factory leases this floor to the factory, but could not provide the lease agreement for review. This area does not have an updated fire approval. HSE.26
9. The emergency exit in canteen, one of two emergency exits in the dormitory, and one of two emergency exits in the pressing workshop area sliding doors. Both emergency exits leading in the production building are roll-down doors. HSE.5
10. The factory does not have the fire safety approval or registration report for brief production building (1846 square meters), which was built in 2001. Additionally the factory does not have a fire safety approval or registration report for the office building fifth floor

#### Local Law or Code Requirement

PRC Code for Design of Extinguisher Distribution in Buildings (GB 50140-2005) article 5.1.3; PRC Fire Safety of Building Design Regulation GB50016-2014 article 3.7.1; PRC Fire Prevention Law article 16(4); Fire Safety of Building Design Regulation (GB50016-2014) article 10.3.5; Fire Safety of Building Design Regulation (GB50016-2014) article 10.3.1; Code for design of automatic fire alarm system 10.5.1; PRC; Fire Safety of Building Design Regulation (GB50016-2014) article 3.3.5; Fire Safety of Building Design; Regulation (GB50016-2014) article 6.4.11; PRC Fire Prevention Law article 11; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.26)

#### Recommendations for Immediate Action

1. Adjust the fire extinguishers to proper height immediately (the bottom of fire extinguishers to the floor should not less than 0.08m and the top of the fire extinguishers to the floor should below 1.50m)
2. Ensure all workstation exits are unobstructed.
3. Ensure that the horizontal distance between two fire exits is no less than 5.0 m.
4. Install exit signs on the emergency exits of canteen.
5. Install emergency lights at all emergency exits.
6. Install a visual fire alarm in high noise areas.
7. Provide a backup power supply for the emergency alarm system.
8. The employee dormitory should not be located alongside production workshops or warehouses, the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection.
9. Re-install all factory doors to be open in the direction of evacuation.
10. Obtain relevant fire service certificate or record for review.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

Adjust the fire extinguishers to proper height immediately (the bottom of fire extinguishers to the floor should not less than 0.08m and the top of the fire extinguishers to the floor should below 1.50m)

SI

1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the fire hydrants, hoses and nozzles.
2. Provide training or source external training for all employees who need to be certified in this testing.
3. Create procedures to ensure that there is a regular testing of this equipment.

### Action Plan no 2.

#### Description

IA Ensure all workstation exits are unobstructed. SI 1. Create or amend Health and Safety Policy and Procedure addressing maintaining clear workstations free of obstruction. 2. Provide Health and safety training to all employees on identifying any obstructions. 3. Create procedures for the regular checking of all workstations, pathways and exits.

### Action Plan no 3.

#### Description

IA Ensure that the horizontal distance between two fire exits is no less than 5.0 m. SI 1. Create or amend Health and Safety Policy and Procedures addressing all evacuation exits. 2. Provide training and source the necessary equipment to ensure all evacuation exits are clear, current and at least 5m apart. 3. Create procedures to ensure that exits and evacuation pathways are regularly checked and more than 5m apart.

### Action Plan no 4.

#### Description

IA Install exit signs on the emergency exits of canteen. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the emergency exit lights. 2. Provide training or source external training for all employees who need to be certified in testing the emergency exit lights. 3. Create procedures to ensure that there is a regular testing of the emergency exit lights.

#### Action Plan no 5.

#### Description

IA Install emergency lights at all emergency exits. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the emergency exit lights. 2. Provide training or source external training for all employees who need to be certified in testing the emergency exit lights. 3. Create procedures to ensure that there is a regular testing of the emergency exit lights.

#### Action Plan no 6.

#### Description

IA Install a visual fire alarm in high noise areas. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the backup power supply. 2. Provide training or source external training for all employees who need to be certified in testing the backup power supply. 3. Create procedures to ensure that there is a regular testing of the backup power supply.

#### Action Plan no 7.

#### Description

IA Provide a backup power supply for the emergency alarm system. SI 1. Create or amend Health and Safety Policy and Procedure addressing the regular inspection and testing of the emergency exit lights and visual alarms. 2. Provide training or source external training for all employees who need to be certified in testing the emergency exit lights and visual alarms. 3. Create procedures to ensure that there is a regular testing of the emergency exit lights and visual alarms.

#### Action Plan no 8.

#### Description

IA  
The employee dormitory should not be located alongside production workshops or warehouses, the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection.

- SI
1. Create or amend Health and Safety Policy and Procedure addressing fire safety.
  2. Provide training or source external training for all employees who are responsible for fire safety.
  3. Create procedures to ensure that the fire safety reports and necessary approvals are regularly updated and maintained.

#### Action Plan no 9.

#### Description

N/A

#### Company Action Plan Update

8.1 Adjusted the fire extinguishers to proper height immediately (the bottom of fire extinguishers to the floor should not less than 0.08m and the top of the fire extinguishers to the floor should below 1.50m)

8.2 The factory had removed cloth material and ensure all workstation exits are unobstructed.

8.3 New exit was created since 31/Jan/2018

8.4 Exit sign & emergency exit was installed since 31/Jan/2018



8.5 Emergency Exit was installed since 31/Jan/2018

8.6 Fire Alarm was installed in embroidery workshop since 31/Jan/2018

8.7 Has provided power to the emergency alarm system since 31/Jan/2018

8.8 That building is not owned by Wai Wah, the owner lend it to other factory. The factory will continue to look for solution.

8.9 Door open direction changed since 31/Jan/2018