



COMPANIES: The Bradford Exchange  
COUNTRY: China  
ASSESSMENT DATE: 05/18/16  
ASSESSOR: Openview Vietnam  
PRODUCTS: Jewelry [including watches]  
NUMBER OF WORKERS: 181

## Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

## 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

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

1. Contacts for the workers state that the paid monthly wages is the minimum wage plus allowances. 3% to 5% of employees were paid insufficient overtime wages in May, October, and November 2015, and January 2016. For example, one worker had 77 hours of overtime on weekdays and 46 hours on rest days in November 2015, but the factory only paid the worker CNY 820 (USD129.13) for overtime; according to the legal overtime rate, the factory should have paid him CNY 1972.31 (USD 310.6). Since the factory has a Cumulative Working Hour System, overtime wage should be calculated at 150% of the regular pay rate for both weekday and rest days.
2. The contribution base for the five types of social insurance is not in line with legal requirements. For example, the contribution for pension insurance should be based on the employee's average wage for the past 12 months (about CNY 4000 to CNY 4500 per month; USD 629.92 to USD 708.66). However, the factory only contributes to the pension insurance based on CNY 2,688 (~ USD 423.31) per month.
3. Only 15 (4.3% of the total workforce) employees are provided with the Housing Provident Fund. The factory only contributes to the Housing Provident Fund based on CNY1650 (USD259.84) for 2 of the 15 employees, instead of the employee's average total wage for the past 12 months, which is about CNY 3,000 (USD 472.44).
4. The weekday and rest day overtime hours are not included in workers' payroll records.
5. The factory does not issue last month wages to resigned workers in a timely manner. As per local legal requirements, the factory should pay these wages within five days of a worker's last day of employment.

##### Local Law or Code Requirement

China Labor Law, Articles 44 and 72; Regulation for the Payment of Wages in Zhejiang Province, Articles 15; Social Insurance Law of the PRC, Article 12; Regulations On Management Of Housing Provident Fund, Article 15; FLA Workplace Code (Compensation Benchmarks C.1,

### Recommendations for Immediate Action

Provide all workers with sufficient overtime wages, consistent with legal requirements.

## COMPANY ACTION PLANS

1. The factory has agreed.

#1-2 The factory has agreed to correct the calculation beginning January 2017. Closed.

#1-3 The factory has agreed to adjust the housing contribution for the 2 worker who did not receive it previously.

#1-4 The factory has changed the employee record to show overtime and rest periods. Please see attached.

#1-5 The factory reports this violation was due to the accounting persons error and is not company policy. They have informed the manager of accounting to follow up on all resignations to be sure they follow company policy.

Planned completion date: 09/10/16

Progress update: Previous Progress Update  
01/06/17 : #1-1 Closed #1-2 I sent the factory the FLA issue brief. I should have feedback to upload soon. #1-3 Update: The factory has agreed and will begin using the calculation based on actual salary in February. I will also check this when I am at the factory in March to reconfirm. Closed. #1-4 I have uploaded the form for FLA review/approval. Closed  
New Progress update  
Visits to the factory over the few years have shown the factory continues to use the new calculation.

Completion date: 05/25/18

## FINDING NO.2

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

#### Finding Explanation

1. The factory has established a system to manage working hours and leave for both normal and exceptional circumstance. However, the system does not include management of special categories of employees.
2. Weekly working hours for 20% to 60% of sampled workers exceeded 60 hours for a duration of 1 to 2 weeks per month in May and October 2015, and January and April 2016, with a maximum of 76.5 hours recorded in December 2015.
3. About 25% to 30% of sampled workers did not regularly receive one day off every seven-day period in December 2015 and April 2016. They worked a maximum of 26 consecutive days in December 2015.
4. The factory obtained two permits to implement a cumulative working hours system: one permit was valid from Aug 01, 2014 to Jul 31, 2015 and the other is valid from Aug 01, 2015 to Jul 31, 2016. Based on sampling the total working hours are still under the legal limit of 2432 hours. However, for the former permit, from Aug 01, 2014 to Jul 31, 2015, the total working hours of about 30% of the production workers exceeded the limit.

#### Local Law or Code Requirement

Instruction on the Implementation of the China Labor Law, Article 65; FLA Workplace Code (Employment Relationship Benchmark ER.23; Hours of Work Benchmarks HOW.1 and HOW.2)

#### Recommendations for Immediate Action

1. Ensure workers do not work more than 60 hours a week.
2. Ensure employees have at least one day off every seven-day period.
3. Reduce working hours to comply with the approved cumulative working hours system.

## COMPANY ACTION PLANS

1. 1-The factory has submitted a policy draft to the local trade union for review/approval.

2-3 and 4 Overtime hours was discussed in detail since we (Bradford) submit production orders with rush due dates. We explained that the factory needs to provide better feedback on realistic ship dates so that overtime hours are within guidelines and workers receive one day off per week.

The factory has agreed to raise the flag if anyone from our group pushes them to violate the guidelines.

We have also encouraged them to "ask" workers and obtain their permission for the overtime they do work in an effort to avoid anyone feeling trapped like they have to work overtime to keep their job.

Planned completion date: 09/10/16

Progress update: 01/06/17 : #2-1 Policy was approved and added to the employee manual. Closed #2-2, 3 and 4 closed

Completion date: 12/08/16

## FINDING NO.3

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

The factory's current disciplinary procedures include monetary fines/deductions as a form of disciplinary action. If a worker is late for work for more than 20 minutes per month, there is a deduction of CNY 20 (USD 3.15). Employees that have been subjected to a warning receives a deduction of CNY 10 (USD 1.57). A minor demerit record results in a deduction of CNY 10 (USD 1.57), and a major demerit record for missing the punch in- and-out records results in a deduction of CNY 30 (USD 4.72).

##### Local Law or Code Requirement

China Labor Law, Article 50; FLA Workplace Code (Harassment and Abuse Benchmark H/A.2)

##### Recommendations for Immediate Action

Discontinue monetary fines as a form of workplace discipline.

### COMPANY ACTION PLANS

- 1- The factory has stopped all disciplinary fines. We are working with them on other steps they can take to foster positive behavior. We also still need proof they have made the announcement to all employees.

Planned completion date: 09/10/16

Completion date: 08/31/16

## FINDING NO.4

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. The job application form includes a question regarding marital status, which may lead to discrimination during the recruitment process.
2. The job advertisement for junior clerk requires applicants to be 18~25 years old.

##### Local Law or Code Requirement

China Labor Law, Article 12; FLA Workplace Code (Employment relationship ER.3; Non-discrimination Benchmark ND.2 and ND.6)

##### Recommendations for Immediate Action

1. Remove any questions pertaining to marital status from the job application form.
2. Remove age requirements from job advertisements.

### COMPANY ACTION PLANS

- 1- The factory has removed the marital status question from their application.
- 2- The factory has stopped adding age to their advertisement for new employees.

An ad example is attached.

## FINDING NO.5

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. The factory requires some workers to sign three-year contracts that provide for an extended probation period of 6 months.
2. The wage information section is blank on some workers' labor contracts.
3. The factory's human resource procedures do not include job descriptions for each category of position.
4. The factory does not have written policies and procedures outlining the process for performance reviews; therefore, the factory does not conduct regular performance reviews.
5. There are no policies and procedures regarding production workers' career paths and Personnel Development; therefore, the factory does not have specific career paths or skill development plans for production workers. Production workers make up more than 90% of the factory's total workforce.
6. The factory has not clearly defined a person for responsible for managing Retrenchment. There is no written policies or procedures on handling possible retrenchment; for example, there is no guideline on how to calculate final payouts.

##### Local Law or Code Requirement

Law of the People's Republic of China on Employment Contract Article 17; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.15, ER. 25, ER.27, ER.29, ER.30, and ER.32)

##### Recommendations for Immediate Action

Revise the probation period to a maximum of three months.

### COMPANY ACTION PLANS

1. 1-The factory has changed their probation period from 6 months to 3 months. Complete
  
- 2-During the audit, the auditor pointed out that they did not have the wage information in the contract and the factory immediately made the change before the auditor left.
  
- 3-The factory has identified all of the various positions within the company. Next, they are working on detailing each job's responsibilities.
  
- This issue remains open.
  
- 4-Previously, the factory only had performance reviews for piece work employees. They are writing a new policy now which will encompass all employees.
  
- This issue remains open.
  
- 5-All of these are connected of course. The factory is writing job descriptions, which will determine the employees level which will prompt the development policy. So this will come after the above is completed.
  
- 6-The proposed policy is attached for FLA review/approval.

Planned completion date: 09/10/16

Progress update: 01/06/17 : #5-1 Probation period has been changed to 3 months and announced to employees. Closed. #5-2 This was a clerical error. The HR manager has been instructed to review all contracts BEFORE they are signed to ensure accuracy. Closed. 5-3 Please see attached documents. Closed 5-4 Please see attached documents. Closed #5-5 Please see attached documents. Closed.

Completion date: 12/08/16

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Industrial Relations

#### Finding Explanation

1. The factory has a trade union under the ACFTU (All China Federation of Trade Unions). However, instead of being directly elected by workers, all seven union representatives, and one union leader, were elected from a group of candidates proposed by the management of each department.
2. 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.
3. Workers are not provided with a copy of the Collective Bargaining Agreement (CBA), and 90% of the interviewed workers were completely unaware of the content of the CBA.
4. FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). According to the International Labor Organization (ILO), many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.

#### Local Law or Code Requirement

Trade Union Law of the People's Republic of China, Article 46; FLA Workplace Code (Employment Relationship Benchmarks ER.16; Freedom of Association Benchmarks FOA 2, FOA.11, and FOA.15)

## COMPANY ACTION PLANS

1. 1-The factory has reconfirmed that they did not (as reported) assign the union representatives. We have attached documentation for FLA review.
- 2-Office space has been assigned for union meetings and all of the necessary office equipment.
- 3-The CBA has been shared and a meeting held to explain it's contents.

Planned completion date: 09/10/16

Progress update: Previous Progress Update  
01/06/17 : #6-1 The FLA has recommended I spend time at the factory and conduct worker interview. #6-3 While on site I will take part/witness the handing out of the CBA in March.  
New Progress update  
Visits over the course the past few years has allowed me and our China team the opportunity to talk to workers regularly without the presence of management. We will continue to do so to encourage worker feedback and management participation.

Completion date: 05/25/18

## FINDING NO.7

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Grievance System

#### Finding Explanation

1. The grievance procedure allow workers to raise grievances through a variety of channels; this includes the human resources department, the union committee members, the suggestion and complaint boxes, and directly with supervisors. A union committee member also confirmed that she had received workers' complaints via phone. However, those complaints were not well documented and there has regularly been no response to these workers. There was only one record of a complaint in the past year.
2. Instructions and guidelines on how to use the suggestion boxes are not posted in the vicinity of the suggestion and complaint boxes.
3. There is no procedure guaranteeing that workers' may have a third-party witness present during the imposition of disciplinary action.
4. The factory does not properly train workers and supervisors on the grievance system.

#### Local Law or Code Requirement

## COMPANY ACTION PLANS

- 1-The factory has reviewed the procedures and admitted they had not been adhering to their own rules and procedures. So they went through all of the documentation and took the following steps.
- 2-Instructions on how to use the suggestion boxes is posted near the suggestion boxes.
- 3-The factory has made the policy to allow a 3rd party witness and made the announcement.
- 4-The factory has retrained workers on the changes made to their grievance system and is working on adding a corrected version to their employee manual.

Planned completion date: 09/10/16

Progress update: 01/06/17 : #7-1 documentation uploaded Closed

Completion date: 12/08/16

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

1. The orientation training only focuses on employer rules and occupational health and safety. It does not cover policies for human resources, Industrial Relations, Grievance System, or Environmental Protection.
2. The ongoing training only covers technical training for workers who hold special operation permits, such as elevator operators and electricians. There is no ongoing training for most workers regarding the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System and Health, Safety & Environment.
3. The factory only provides management and supervisors with basic training on the Employment Functions.

##### Local Law or Code Requirement

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

## COMPANY ACTION PLANS

1. The factory has reviewed their policies and sent them to the local trade union for review.

Planned completion date: 09/10/16

Progress update: Previous Progress Update  
01/06/17 : Will send additional information about government approval and policy details by due date.  
New Progress update  
Local Trade did approve the policies.

Completion date: 02/02/18

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

##### Finding Explanation

Worker integration has not been effectively implemented across all of the Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/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

1. #1 The employee manual is attached for review along with the summary of the areas it covers. We have requested proof of training for the new manual and will update when that becomes available.

Planned completion date: 09/10/16

Progress update: 01/06/17 : #5-1 Probation period was changed to 3 months and an announcement made. Closed. #5-2 The factory reported this was a clerical error. The HR manager has now implemented a second review of all contracts to be sure no errors are made. Closed. #5-3 Job descriptions and details are attached. Closed. #5-4 See attached policy and attendance sheet for informing employees. Closed. #5-5 Please see attached and advise if this meets with FLA requirements. Closed. #5-6 Please see attached. Closed.

Completion date: 12/08/16

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory does not have a centralized fire alarm system in the production building or dormitory buildings. There is no back-up power for the fire alarm. The factory does not have a visual fire alarm in areas where employees may have difficulty hearing an auditory alarm.
2. Electrical panels are not regularly inspected to ensure they are free of dust and well insulated. Overlapping and conjoined electrical cables are used to supply power to fans and vacuums in the production areas.
3. The factory does not have a complete and effective chemical inventory list. The chemical white oil (n-Hexane, CAS#110-54-3) was not included in the inventory list.
4. The chemical management procedures are not rigorously implemented for new chemicals. Appropriate personal protective equipment (PPE) is not provided for workers exposed to white oil, and the factory did not have material safety data sheets (MSDS) for white oil.
5. Some yellow glue is stored in a recycled water bottle without a proper chemical label.
6. Compressed oxygen and nitrogen cylinders are stored without a valve cap.

##### Local Law or Code Requirement

General Guide for Safety of Electric User, Article 6.7; Regulation for Chemical Usage Safety in Work Place, Article 14, Article 27; The Chemical Safety Labels Writing Rules (GB15258-2009), Article 4.3; Supervision Regulation on Safety Technology for Gas; Cylinder (TSGR0006-2014), Article 6.7; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.9, HSE.10, HSE.13, and HSE.14)

##### Recommendations for Immediate Action

1. Install a back up battery for the fire alarm system in all production, dormitory, and canteen buildings. Install a centralized fire alarm system in each building. Install a visual fire alarm in relevant areas of the factory (polishing department).
2. Obtain MSDS for all new chemicals. Acquire an MSDS for the white oil, and provide appropriate PPE, based on the MSDS, to workers exposed to white oil.
3. Replace the overlapping power cables in the old fans and vacuums in the production buildings.
4. Properly label all chemical containers with chemical identification, pictograms, signal words, and hazard statement.
5. Ensure all compressed oxygen and nitrogen cylinders are stored with the valve caps.

## COMPANY ACTION PLANS

1. 1-Centralized fire system and a visual alarm in the area where hearing an alarm can be a challenge. The factory is currently working on a centralized system. Meanwhile they did put in a large alarm light that will go off once the alarm is triggered. See attached photo.
- 2-The electrician has created a log and is now regularly inspecting the electrical panels and cords. The cords/cables have been replaced.
- 3- The factory has added the missing chemicals to their already existing chemical book. They has also assigned Ms. Qian Hongyan the responsibility of maintaining the book.
- 4-Ms. Qian Hongyan has made a posting and held training concerning the importance of wearing the proper safety equipment and her new role.
- 5-Mislabeled chemicals have been corrected and proper storage information shared with employees.



6-The value caps have been installed on the cylinders. Please see attached photo evidence.

Planned Completion Date

11/30/16

Planned completion date: 09/10/16

Progress update: 01/06/17 : #10-1 Photo of battery back up uploaded. This unit plugs in but when electricity is disrupted the unit switches to battery operation. Closed. #10-2 Attached documents showing electrician inspection log and cable replacement. Closed. #10-3 Creating and maintaining the chemical book is the responsibility of Ms. Qian Hongya. Closed. #10-4 Chemical list responsibility has been assigned to Ms. Qian Hongyan. See attached postings. Closed. #10-5 In addition to creating,maintaining the chemical book, Ms. Hongyan is also responsible for communicating and making sure all postings are made on any updates or changes. Closed

Completion date: 11/22/16

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory does not have any specific policies and procedures to protect of special categories of workers from exposure to workplace hazards.
2. Fire resistant doors are not installed on the production floor and evacuation stairs. Most doors are made of glass, wood, or common metal.
3. The training for the fire brigades is not effective, and the responsible staff does not have knowledge of fire prevention techniques.
4. The safety risk assessment for the production areas is not complete; for example, it does not include the laser machine.
5. Workers in the polishing department on the second floor of the #2 production building are exposed to excessive noise; however, the factory has not provided them with hearing protection.
6. Some machine safety operation instructions are not posted near the relevant workstations; for example, there is no safety operation procedure posted for the laser machines.
7. The factory has not conducted lightning protection assessments for the production buildings.
8. The factory has not effectively implemented lock-out/tag-out procedures; the factory does not provide the appropriate locks to maintenance staff.
9. Workers exposed to occupational disease risks receive pre, post, and on job health examinations; however, only 10% of off-the-job occupational health check-ups have been conducted.
10. The factory provided PPE selection criteria for review, but does not have criteria for PPE replacement.
11. The Environmental Health & Safety manager (EHS) reported no accidents in the factory; however, most minor or near miss accidents are not recorded or investigated. The factory does not conduct root cause analysis and do not have remediation plans ready to prevent the recurrence of such accidents.
12. There is no system in place for the regular sanitation and maintenance of the drinking water filters. The factory does not perform regular water sanitation tests.
13. The factory does not protect the food samples in the canteen; for example, there is no mechanism to ensure proper labeling of food samples.
14. The factory has not identified ergonomic risks in this factory. However, the following ergonomics issues were found at the factory: chairs/stools are not adjustable, have the proper back support, chairs and stools are made of uncomfortable material, uncomfortable working body positions, there are no attempts at job simplification, and there is no ergonomics training.
15. Heat stress and heat related health problems might arise for the workers who are exposed to heat sources and workers who work outdoors, especially in the plaster mold department. These risks are not included in current risk assessment study.

#### Local Law or Code Requirement

The Code for design of building fire protection and prevention (GB50016-2006), Article 7.4.5; Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Article 36; Law of the People's Republic of China on Production Safety, Article 42; Labor Law of the People's Republic of China, Article 57; Health Standard for Design of Industrial Enterprise, Article 7.3.2; Technical Specifications for Inspection of Lightning Protection System in Building (GB/T-21431-2008), Article 6; Law of the People's Republic of China on the Food Safety, Article 27; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.3, HSE.5, HSE.7, HSE.9, HSE.10, HSE.13, HSE.14, HSE.17, and HSE.23)

#### Recommendations for Immediate Action

1. Provide specific fire training for the internal fire brigade.
2. Provide appropriate locks to maintenance staff.
3. Provide hearing protection equipment to workers exposed to high noise.
4. Post safe operating procedures at all machines.

## COMPANY ACTION PLANS

- 1- The factory is in process of developing and writing a new policy to protect special categories of workers and plans to submit the policy to the local trade union for review on or about 9/9/16.
- 2-The factory is in process of obtaining quotes for new doors for the production areas. They expect to have made a selection and completed installation by year end.
- 3-The factory has developed fire training materials, held training and plans to continue training every 3 months.
- 4-Risk assessment is attached which includes the laser machine.
- 5-The machine which was causing the unacceptable noise level has been repaired. Please see attached. The noise level has been reduced to 69 db.
- 6-All safety instructions are now posted. See attached.
- 7-Lighting assessment is scheduled for August 30. The report will be sent in as soon as it is received.
- 8-Lock out tag and sign has been added as instructed.
- 9-The factory continues to encourage workers to have the post job health examinations but find workers are not interested in waiting around to have them. They are developing a announcement to encourage more participation.
- 10-The correct PPE criteria has been completed.
- 11- Ms. Yong Lijuan has been assigned the responsibility of collecting and maintaining accident information. Attached is a copy of the log kept in the first aid box.
- 12-The WeiHao Water Treatment Company is scheduled to visit the factory on 8/20/16. Once the report is available it will be sent in.
- 13-The canteen has made the content label correction. See attached example.
- 14-We sent the factory ideas/photos of ergonomic furniture and discussed the training. They are currently seeking sources and will update us 9/16/16 with their choices.
- 15-The mold room has been added for future risk assessments. Meanwhile the factory has added thermometers to the mold room and require the workers to leave the area as needed and at a minimum every 2 hours .

Planned completion date: 09/10/16

Progress update: Previous Progress Update  
01/06/17 : #11-1 See attached documents. Closed. #11-2 I have requested an update from the factory on the installation of the new doors by 1/15/17. #11-3 A third training was due now so I asked the factory to provide evidence of the November training. Training was conducted in November. See attached. I will also look for new sessions when there in March. Closed. #11-4 Risk assessment report done. See attached. Closed #11-5 I have attached a photo of ear buds they have provided to employees. FLA approved. Closed. #11-6 All machines have safety information posted. See attached. Closed. #11-7 See attached document. Closed #11-9 See attached document. Closed #11-10 See attached. Closed #11-11 First Aid responsibility has been assigned to Ms. Yong Lijuan who is maintaining a log of incidents. Closed. #11-12 Test was completed. Please see attached. Closed #11-13 The canteen has changed the way they label kept food according to our recommendation. Please see attached. Closed. #11-14 I sent the factory the chair information you had sent me for another factory because they were not able to locate or they did not understand what exactly we were referring to. I expect to have resolution by 1/15/17.  
New Progress update  
The factory has purchased new chairs which were tested by employees. We have visited the factory several time over the past year and find them still in use.

Completion date: 05/25/18

## FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

1. The waste management plan does not include some hazardous waste like used machine oil, batteries, printer cartridges, empty

chemical containers, etc.

2. The factory does not have hazardous waste collection areas in the production areas. Solid waste is not properly separated at the source; as a result, there is mixed solid waste, including hazardous waste, at the waste collection areas.

#### Local Law or Code Requirement

The People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Article 58 FLA; Workplace Code (Health, Safety, and Environment Benchmark HSE.1)

### COMPANY ACTION PLANS

1. 1-The factory is adding all other waste removal to their new contract.

We will send as soon as it comes in.

2-The factory has marked the waste areas to remind employees which type of waste is to be placed in each container.

Planned completion date: 09/10/16

Progress update: 01/06/17 : Refuse contract indicates all hazardous materials can be removed.

Completion date: 09/30/16

2. Please find attached the Waste removal contract.

Planned completion date: 09/10/16

3. Corrections were validated during the November 2018 follow up audit by the FLA.

Planned completion date: 09/10/16

Completion date: 11/13/18