



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Augusta Sportswear Group (Holloway Sportswear Inc.)  
The Antigua Group, inc

COUNTRY: China

ASSESSMENT DATE: 05/31/16

ASSESSOR: FLA China

PRODUCTS: Apparel

NUMBER OF WORKERS: 460

## 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. Adequate training is not provided for any of the Employment Functions; this includes orientation training, supervisor training and on-going training.
2. Orientation training does not cover the following Employment Functions: Industrial Relations, Freedom of Association, Termination & Retrenchment, and Environmental Protection.
3. Employees do not receive written documentation that includes all the issues covered during orientation.
4. The factory does not train any of the supervisors on national law, regulation, or the FLA Workplace Code for any of the Employment Functions. The factory informs supervisors of the disciplinary procedures and rules of the factory through weekly internal meetings.
5. The factory does not update the training module on a regular basis for all Employment Functions, except for the Health & Safety training.
6. The factory does not provide any ongoing training to regular workers and managerial staff on updated factory policies, procedures, or legal requirements.
7. The factory does not provide any ongoing training to workers to raise or broaden their skills for career advancement.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.1, ER.15.2, ER.15.3, ER.17.1, ER.17.3, ER.27, and ER.28.2)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

- 1A. HR will work closely with upper management and each dept manager to develop appropriate training materials, conduct training for all new hires, and ongoing training for all supervisors and full factory staff.
- 1B. Provide a list of all training that will be conducted on an annual basis and estimate timelines of each.
- 1C. Submit verification that training was completed.
- 2A. Management and HR teams will review FLA Benchmarks for requirements and work internally to address Employment Functions: Industrial Relations, Freedom of Association, Termination & Retrenchment, and Environmental Protection in the company handbook and present in future orientations and training.
- 2B. Provide a copy of updated handbook that will be covered in orientation training with all necessary sections updated.
- 3A. HR will print updated handbook and any other documents covered during orientation and distribute copies to all employees plus extra just in case.
- 4A. HR & Management will work together to develop a training program for all supervisors that include national laws/regulations

and FLA Workplace Code in all Employment functions.

4B. Provide a list of all training that will be conducted and estimate timelines of each.

4C. Submit verification that training was completed.

5A. HR will update training modules on a regular basis and management will work together to conduct updated training on each module of the employment functions.

5B. Provide a list of all training that will be conducted and estimate timelines of each.

5C. Nominate an HR employee who will be responsible for updated training modules on a regular basis and submit verification that training was completed.

6A. HR & Management will work together to conduct ongoing training to regular workers and managerial staff on factory policies/procedures and legal requirements.

6B. Provide a list of all training that will be conducted and estimated timelines of each.

6C. Submit verification that training was completed.

7A. HR & Management will work together to partner more skilled workers with lower skilled workers and consider creating cross functional training to broaden employee skills.

7B. Factory will also provide training that includes criteria for promotion, job reassignment scheme and demonstrate linkages to job grading to ensure all workers understand the process and requirements for career advancement.

7C. Provide a timeline of when the cross functional training will begin.

Planned Completion Date

11/30/16

Planned completion date

10/08/16

Company Action Plan Update

01/03/17 : In progress

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

1. There are no written policies and procedures regulating the Recruitment, Hiring & Personnel Development of contract, contingent, or temporary workers.
2. The training policies and procedures do not include policies and procedures encouraging ongoing training to raise or broaden skills for career advancement.
3. There are no policies and procedures for performance reviews.
4. The policies and procedures for Termination do not cover all types of termination. There are no policies and procedure for Retrenchment. There are no procedures to determine termination payout, however, assessors verified that the termination payout is paid as per legal requirements.
5. The policies and procedures on Environment Protection are incomplete. The procedures are missing the following: a procedure to enable workers to raise environmental concerns, a procedure for reporting environmental emergencies, and a procedure to protect workers who report allege environmental violations.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.7.2, ER19.1, ER.28.1, ER.29.1, ER.32.1, ER.31.2.4, ER.31.25, ER.31.2.6, and ER.32; Health, Safety and Environment Benchmark HSE.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1A. Develop and record policies/procedures regulating the Recruitment, Hiring and Personnel Dvl of contract, contingent, and temporary workers. Utilize FLA benchmarks as a guide.

1B. Submit updated policy/procedure upon completion and inform all factory employees of updates.

2A. Develop policies/procedures encouraging ongoing training to raise/broaden skills for career advancement. Utilize FLA benchmarks as a guide. These policies should include:

- a. how workers will be informed of training opportunities
- b. eligibility requirement for participation
- c. if training is compulsory or voluntary
- d. if training will be taking place before or after working hours

- e. if training will be compensated
  - 2B. Submit updated policy/procedure upon completion and inform all factory employees of updates.
  - 3A. Develop policies/procedures for performance reviews. Utilize FLA benchmarks as a guide. These policies should include the following:
    - a. review steps and process
    - b. demonstrate linkages to job grading
    - c. include a section seeking feedback from employees
    - d. include a comment that states all reviews must be in writing.
  - 3B. Submit updated policy/procedure upon completion and inform all factory employees of updates.
  - 4A. Update termination policies/procedures to include retrenchment. Update procedure to include methods for correct assessment of payouts for each mode of termination/retrenchment.
  - 5A. Develop a written procedure to ensure workers understand how they can raise environmental concerns, report environmental emergencies, and report alleged environmental violations.
- Planned Completion Date  
11/30/16

Planned completion date  
10/08/16  
Company Action Plan Update  
01/03/17 : In progress

### FINDING NO.3

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

##### Finding Explanation

The factory has not developed policies and procedures on the review process to ensure updates are made according to local law and FLA Workplace Code requirements. As a result, they have not conducted internal reviews for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, Grievance System, Environmental Protection, and Health & Safety.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29, ER.30.2, and ER 31.2)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

Develop a policy/procedure for reviewing all employment functions, including how often policies/procedures will be reviewed, who will be responsible for these and how the factory will go about updating all factory employees when any amendments are made.

Planned Completion Date

10/31/16

##### Planned completion date

10/08/16

##### Company Action Plan Update

01/03/17 : In progress

### FINDING NO.4

#### IMMEDIATE ACTION REQUIRED

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

##### Finding Explanation

1. The factory has eight contract workers; four security guards and four canteen staff. These employees are directly hired and paid by a

security company and a catering service provider. The factory does not have personnel files, nor employment agreements, for any of the contract workers, and there are no proof of age documents in their files. These files are kept by the security and catering company and were not provided for review.

2. The factory has three disabled workers, which is a violation of legal requirements that state at least 1.5% of the total workforce should be disabled. There are 256 workers in the factory, therefore there should be at least four disabled workers. Additionally, the factory has not contributed to the Employment Security Fund in lieu of employing disabled workers as allowed under the local law.

#### Local Law or Code Requirement

The Regulations of Banning Child Labor Recruitment Article 4; The PRC Employment Contract Law Article 10; The Regulations of Employment for Disability Person article 8; FLA Workplace Code (Employment Relationship Benchmarks ER.3, ER.4.1, ER.11.3, ER.11.5 and ER.11.6; Child Labor Benchmark CL.1; Nondiscrimination Benchmark ND.1, ND.2.1)

#### Recommendations for Immediate Action

Maintain personnel files with proof of age documentation and copies of employment agreements for all contract workers.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. HR will collect, review, and maintain a copy of the personnel files and employment agreements for any contract workers, including age documentation.
2. Factory will establish policies and procedures regarding subcontractors and how the factory will continue to ensure all personnel files and agreements are kept current with proof of age documents to avoid future violations.
- 2A. Factory will ensure necessary government fees are paid if the number of disabled employees do not meet the legal requirement. Additional disabled employee certificates will be renewed in January 2017.
- 2B. Submit receipt the government fees are being paid and also submit a copy of the disabled workers certificate renewal once available.
3. To avoid future violations in relation to the number of disabled workers the factory employs, the factory will identify specific positions suitable for disabled workers to promote the employment for the handicapped.

Planned Completion Date

09/30/16

#### Planned completion date

10/08/16

#### Company Action Plan Update

01/03/17 : In Progress

## FINDING NO.5

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. Workers are not fully provided with the five types of legally mandated social insurances.
2. According to social insurance receipts from April 2016, 134 out of 256 (52%) workers were provided with pension, maternity and unemployment insurance, 137 out of 256 (54%) workers were provided with work-related injury insurance and 8 out of 256 (3%) workers were provided with medical insurance. The factory provided commercial work-related injury insurances to 121 out of 256 (47%) employees with a valid term from March 12, 2016 to March 11, 2017. Therefore, all employees are covered by either commercial or social work-related injury insurance.
3. The factory does not provide social insurance based on workers' actual wages. For 30% of the workers whose monthly wages range from CNY 2619 (~USD 399.4) to CNY 4230 (~USD 645.07), the social insurance was paid based on the local minimum contribution base of CNY 2550 (~USD 388.87), rather than their actual monthly wages.
4. The factory does not contribute to the legally required Housing Provident Fund to any of the employees.
5. The factory calculates paid annual leave on the amount of years workers have worked in the factory rather than by their cumulative years of working experience prior to and including the factory, which is required by law. The factory currently gives workers five or ten days of annual leave; however, some workers are eligible for 20 days of annual leave based on their cumulative working experience.
6. The factory does not have a reliable or effective time keeping system to record working hours for any of the employees; the accuracy of the payment records cannot be verified based on the existing time keeping system. Sunday overtime hours are not recoded in the attendance records, and the factory does not record this work in the official payroll records.
7. The factory does not monitor the security and canteen contract companies to ensure that the workers are paid properly and that there

are no improper deductions.

#### Local Law or Code Requirement

The PRC Labor Law Articles 44, 48, 72 and 73; The Housing Fund Management Regulation, Articles 15 and 17; The Provisional Regulations for the Payment of Wages, Article 6; The Employee Paid Annual Leave Regulation, Article 2; FLA Workplace Code (Employment Relationship Benchmarks ER.2.1, and ER.22.1; Hours of Work Benchmarks HOW.11, and HOW.14; Compensation Benchmarks C.1, C.2, C.5, C.6, C.7, C.14, C.15, and C.16.1.1)

#### Recommendations for Immediate Action

1. Provide legally mandated insurance to all workers.
2. Provide annual leave to all workers based on their cumulative working experience, as stated by local law.
3. Ensure complete and accurate payroll records for all workers.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will provide all workers with work-related injury, medical, pension, unemployment and maternity insurances in order to meet local legal requirements. Update the policy accordingly and conduct full factory training on new insurance policy.
2. Same as above.
3. Create a policy for ensuring the factory is contributing the legally required social insurance contributions to meet legal requirements.
4. The factory will begin contributing to the legally required Housing Provident Fund and update the policy accordingly.
5. Annual leave will be calculated and given based on employee cumulative working experience going forward. The employees who qualify for additional time will be informed immediately. Factory to provide documentation that all necessary workers have been informed on additional available paid leave.
6. Staff will be trained to record their hours on Sunday to keep clear attendance records. Work hours will be reviewed by the employee and supervisor before the end of each pay period to ensure accuracy of payroll records for all workers. Update working hours policy to clearly inform all workers swipe cards should always be used, including Sunday's. Submit updated policy upon completion and inform all factory employees of updates.
7. HR will collect and regularly review payroll records to ensure workers are being paid properly. Develop a process that includes how often contract workers payroll will be reviewed and include a responsible person for this task.
8. The factory will develop a detailed timeline of when they can fully contribute to the required social insurances.

Planned Completion Date  
10/30/16

#### Planned completion date

10/08/16

#### Company Action Plan Update

01/03/17 : In progress

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. The factory does not formally communicate its policies and procedures to the general workforce and management staff for any of the Employment Functions.
2. The methods that the factory uses for communication is not effective or comprehensive; this includes some introduction to factory rules and practices for workers during orientation training and the posting of relevant policies and procedures on site.
3. All interviewed supervisors and general workers roughly understood some policies and procedure, however, they are not fully aware of all policies and procedures, such as the overtime policy, compensation deduction, the steps and processes to track complaints and the appeal channels. There are no follow-ups planned to communicate updates and legal revisions.
4. The worker integration component is missing for all Employment Functions. The factory has not established procedures to receive worker input or feedback on the creation, implementation, and revision of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.1.3, ER.16.1 ER.25.1, ER.25.2, and ER.27.3; Compensation



## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1, 2, 3. HR & Management will work together to develop, record, and present policies/procedures for all Employment Functions. They will ensure any new factory employees receive this training upon hire, and a refresh training will be given to all factory employees on an annual basis. Provide documentation that training took place, including date and sign in sheet.  
4. Install a suggestion box in the canteen area to collect feedback from employees; hold meetings with employees to discuss major changes or changes needed in policies/procedures affecting their daily work functions; and highlight to workers about an open door policy - if employees have any comments/questions, they approach supervisors. Develop a written procedure based off of the above comments.

Planned Completion Date

11/30/16

#### Planned completion date

10/08/16

#### Company Action Plan Update

01/03/17 : In Progress

## FINDING NO.7

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Hours of Work

#### Finding Explanation

1. Sample material entry records showed incoming production materials being counted and put in storage in the warehouse by one warehouse staff member on April 3, 10 and 17, 2016, July 19, 2015 and May 10, 2015 (both Sundays). However, the attendance records showed that this worker did not work or swipe their electronic identification card on those days. Both workers and management confirmed that they did work on those days without recording their working hours.
2. The monthly overtime hours exceed the legal limit of 36 hours per month. 85% of workers worked 38 hours to 54 hours of overtime each month during the last 12 months, except for February 2016, which included the Spring Festival holidays.
3. Due to urgent production orders workers are sometimes required to work on Sundays. Material entry records and worker interviews indicate that workers have worked on Sundays, thus not receiving the one day off for every seven days worked on a consistent basis.
4. The factory's production target requires workers to work 52 hours per week on a regular basis.

#### Local Law or Code Requirement

The PRC Labor Law Articles 38 and 41; The Provisional Regulations for the Payment of Wages Article 6; FLA Workplace Code (Employment Relationship Benchmarks ER.2.1, ER.23.2, and ER.23.3; Hours of Work Benchmarks HOW.1.1, HOW.2 and HOW.8.1)

#### Recommendations for Immediate Action

1. Ensure a reliable and effective time keeping system to record working hours for all workers, including contract workers.
2. Ensure that workers do not work more than the legal limit of 36 hours per month.
3. Ensure that workers receive at least one day off (24 consecutive hours of rest) for every 7-day working period.
4. Ensure that production planning is based on 40 hours of work per week and does not include overtime.
5. Implement FLA Principles of Fair Labor and Responsible Sourcing and accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
  - a. How to provide better order forecasts to the factories;
  - b. Possible workshops/consultancy for the factory on how to improve productivity/quality;
  - c. Clear guidelines on how to extend shipment deadlines in case of contingencies;
  - d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
  - e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks.
  - f. Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Staff will be trained to record their hours on Sunday to keep clear attendance records and work hours/time will be reviewed by the employee and supervisor before the end of each pay period to ensure accuracy of payroll records for all workers. Update working hours policy to clearly inform all workers that swipe cards should always be used, including Sunday's. Submit updated policy upon completion and inform all factory employees of update.
2. HR & Management will expand the recruitment channels, increasing recruitment according to the capacity of the factory and reasonable production plan to gradually achieve no more than 36 hours of overtime a month. Research a local consultant that can come and provide guidance on how to better plan for and accommodate tight production schedules, guidance on how to extend shipment deadlines, how to communicate effectively with the brand's compliance team when overtime occurs and calculating and setting reasonable production targets that will not demand work beyond regular working hours. Nominate a responsible party that will evaluate working hours on a monthly basis and ensure over-time is within legal limits. Provide documentation that a consultant has been contacted to help with production planning.
3. Factory will work to improve production plans by consulting with a production planning expert and look into increasing the workforce. Factory will ensure if workers need to work 7 consecutive days that 24 hours of rest are given immediately following the 7th day worked.
4. Target 48 hours of work for each employee when conducting production planning. Production planning will not include overtime on a regular basis, however it is understandable that actual hours worked would have overtime.

Planned Completion Date

09/30/16

Planned completion date

10/08/16

Company Action Plan Update

01/03/17 : In progress

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

1. The factory has a worker representative body with three worker representatives. All of the representatives are nominated by supervisors from each department instead of being elected by the workers directly. The factory has a documented election procedure and an announcement that indicates that the representatives are elected by the workforce, however, the interviewed workers had no knowledge of these election activities. The factory is unable to provide election records.
2. 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

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

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. The factory will update their procedure on the election process to clearly state worker representatives are elected by the workers themselves. The factory will clearly communicate the elections process through announcements and postings and will maintain election records.

Planned Completion Date

11/30/16



Planned completion date  
10/08/16  
Company Action Plan Update  
01/03/17 : In progress

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

The disciplinary system does not include a third party witness during the imposition of disciplinary action and the appeal process.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27.4)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Update written policy to state that HR is present as a witness during the imposition of disciplinary action and the appeal process.
2. Factory will train and communicate all the workers on the updated policy.

Planned Completion Date  
09/30/16

Planned completion date  
10/08/16  
Company Action Plan Update  
01/03/17 : In progress

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

The factory does not have an Environmental Impact Report, due to this oversight, the factory has not received any of the legally required environmental certifications.

##### Local Law or Code Requirement

The PRC Environmental Impact Assessment Law Article 16; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.4)

##### Recommendations for Immediate Action

Contract a qualified third party assessor to create an Environmental Impact Report, and submit this report to the local environmental bureau to receive the required environmental certifications.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Request government assessment and submit final certification upon completion.  
Planned Completion Date  
10/30/16

Planned completion date  
10/08/16  
Company Action Plan Update  
01/03/17 : IN progress

## FINDING NO.11

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The stools for seated workers are not adjustable and have no backrests to minimize workers' injuries. No anti-fatigue mats are provided to standing workers.
2. There is no training provided for loading workers on lifting techniques, and no lifting belts are provided.

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.17.1 and HSE.17.2)

##### Recommendations for Immediate Action

Provide lifting belts to all loading workers.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Workers will be provided adjustable seats with backrests and anti-fatigue mats to standing workers. The factory will utilize the safety committee to conduct regular safety walk-thru's and ensure workers are provided with adjustable seats with backrests and anti-fatigue mats.
2. Loading workers will be provided lifting belts and training will be given on how to lift safely. The factory will utilize the safety committee to conduct regular walk-thru's.

Planned Completion Date  
10/30/16

Planned completion date  
10/08/16  
Company Action Plan Update  
01/03/17 : in progress

## FINDING NO.12

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory did not obtain an occupational disease hazard assessment report before operating in 2009. It has not conducted an assessment of the current conditions of occupational disease hazards, as legally required.
2. The factory does not provide occupational health checks to four out of four workers who are exposed to dust in the quilting workshop.
3. The factory provided cotton mask instead of anti-dust masks to four of the workers exposed to dust in the quilting workshop.

##### Local Law or Code Requirement

The PRC Law of Prevention and Control of Occupational Diseases Articles 17, Article 20 and Article 36; The Safety Manufacturing Law, Article 42; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.4, and HSE.7)

##### Recommendations for Immediate Action

1. Arrange for a licensed service provider to conduct an assessment of the current conditions for occupational disease hazards.
2. Provide occupational health checks to all workers who are exposed to dust.

3. Provide anti-dust mask to all workers who are exposed to dust; train and monitor proper use of the anti-dust mask during working times.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory has already conducted the assessment in July 2016 and will provide a copy of the environmental certification upon receipt.
2. Factory will create a process that identifies a schedule in which all employees will plan to have occupational health check-ups.
3. The factory will provide anti-dust masks for the four workers in the quilting workshop. The factory will utilize the safety committee to conduct regular walk thru's and ensure all workers are using necessary PPE.

Planned Completion Date

09/30/16

#### Planned completion date

10/08/16

#### Company Action Plan Update

01/03/17 : In progress

## FINDING NO.13

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Two out of the three aisles in the inspection workshop are partially blocked by production materials.
2. Three out of seven employees' working stations in the ironing workshop were partially blocked by production materials.

#### Local Law or Code Requirement

The PRC Fire Prevention Law Article 16 (4); FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, and HSE.5.1)

#### Recommendations for Immediate Action

Make sure all aisles and working stations are accessible and free from obstruction.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Health & Safety

Details

The factory will clear all aisles and utilize the safety committee to conduct regular walk-thru's to identify possible safety hazards.

Planned Completion Date

09/30/16

#### Planned completion date

10/08/16

#### Company Action Plan Update

01/03/17 : in progress