



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: GTM SPORTSWEAR
Hanesbrands

COUNTRY: China

ASSESSMENT DATE: 09/23/16

ASSESSOR: Social Compliance Services Asia

PRODUCTS: Apparel

NUMBER OF WORKERS: 40

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: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have written policies or procedures on Personnel Development, including: a) a policy on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, and provides written feedback; and b) procedures on performance reviews, skill development, promotion, demotion, and job reassignment.
2. The factory does not have written policies or procedures on Retrenchment, Industrial Relations, or Grievance System, although some documents or systems exist to manage grievances.
3. The factory does not have written procedures on Workplace Conduct, including procedures that: a) embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination); b) require that a third party witness be present during the imposition of disciplinary actions; and c) acknowledge the workers' right to participate and be heard in any disciplinary procedures taken against them (at the time of the assessment, no workers had been subject to any kind of disciplinary procedures, only verbal warnings). Furthermore, the factory does not have policies or procedures on how to discipline supervisors, managers, and workers who engage in any form of harassment or abuse.
4. The factory does not have written policies or procedures on Environmental Protection, including procedures for: a) managing environmental impact inside the factory; or b) managing the factory's environmental impact to its surroundings.
5. The factory's Health & Safety procedures do not cover the following information: a) how workers can raise Health & Safety concerns; b) protection against retaliation for workers who raise Health & Safety concerns; c) what employees should do in case of injury; or d) the steps for reporting death, injury, illness, and other Health & Safety issues.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.27.1, ER.27.3.2, ER.27.4, ER.28, ER.29.1, ER.30.1, ER.31, and ER.32.1; Health, Safety & Environment Benchmark HSE.1; Harassment or Abuse Benchmark H/A.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory to designate responsible party to manage Personnel Development. ii. Factory to designate at least two workers to be involved in each discussion regarding policies and procedure development or evaluation. iii. Designated party will be responsible for building out written policies for performance reviews on: job grading, prohibiting discrimination and providing written feedback to employees. iv. Designated party will be responsible for building out procedures on: performance reviews, skill development, promotions, demotions and job reassignments.

2. i. Factory Human Resources to document policies and procedures for: Retrenchment, Industrial Relations and Grievance Systems.
ii. Factory will include these in the Employee Handbook and ensure distribution upon completion.

3. i. Factory Human Resources to document policies and procedures for Workplace Conduct. ii. Detail system of progressive discipline: Verbal Warning, Written Warning, Suspension and Termination. List specific behaviors and actions which would result in deviation from the normal progression, ex: Severe behavior where the first occurrence results in suspension. iii. Include requirement that a third party or representative be present during all disciplinary discussions. iv. Include verbiage clarifying the employee's right to be present and heard during all disciplinary discussions. v. Include statement of zero tolerance regarding any form of harassment or abuse and specifically detail individual disciplinary actions for supervisors, manager and workers engaging in such actions.

4. Factory to detail containment and waste disposal policies and ensure they are adequate to minimize environmental impacts for any chemicals or byproducts.

5. i. Factory Human Resources documented policies and procedures for Health & Safety to include: i. How workers can submit complaints and concerns regarding Health & Safety (Grievance Mechanisms). ii. Non-Retaliation policy protecting and workers who submit grievances. iii. How employees should behave and react in the case of a workplace injury. iv. How to appropriately report workplace injuries or illnesses.

Planned completion date

01/15/17

Company Action Plan Update

We have worked out the employee handbook, a detailed description of the problems mentioned in detail including performance reviews, retrenchment, industrial relations and grievance systems. We also designated two workers to discuss the policies and procedure development and we have workplace conduct. We have waste disposal policies. We have policies for health & safety.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide specific training for relevant supervisors or ongoing training for employees on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Environmental Protection, and Health & Safety.
2. The factory does not provide orientation training to new employees. In addition, workers do not receive any training material, including a copy of the workplace rules.
3. The factory does not provide Human Resources (HR) or administrative staff with training on Workplace Conduct & Discipline.
4. The factory does not train employees on Personal Protective Equipment (PPE) usage and maintenance, basic fire safety (including their duties in the event of a fire), or first aid; nor do they conduct specific workplace safety training for designated employees with special responsibilities.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15, ER.16.1, ER.17, and ER.27.2; Health, Safety & Environment Benchmarks HSE.5.2, HSE.6.2, and HSE.8)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory to designate responsible party to develop and manage employee training program. ii. Designated Party will be responsible developing training content, facilitating employee training (initial and ongoing) and maintaining appropriate documentation for each employee's completion of the training.
2. i. Designated Party will be responsible for conduction orientation training for all new employees. ii. New employees must be given copies of training documents and the workplace rules.
3. i. Human Resources will be included in all ongoing training, including Workplace Conduct & Discipline.

4. i. General PPE, First Aid and Fire Safety training will be included in the developed training program. ii. Employees with special responsibilities will have a unique training developed for their job functions in addition to the general PPE training.

Planned completion date

01/15/17

Company Action Plan Update

At the beginning of each year, we are training all employees. Please look at the contents of the annex training. please see pics attached for training.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

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

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16.1, ER.25.1, ER.27.3, ER.29.1.1, ER.30.2, and ER.32.5; Compensation Benchmark C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Upon completion and initial distribution of policies and procedures, factory will provide at least an annual update to employees regarding any changes.
2. i. Factory will hold an annual review of all policies and procedures. ii. During this review, appropriate worker representation must be present to provide feedback regarding any potential changes. iii. Recommendation is to have at least one worker from each department present and rotate among the workers for each annual review.

Planned completion date

01/15/17

Company Action Plan Update

We did annual review of all policies and procedures from 2018. please see files as attached.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory does not periodically review and update its policies and procedures for any of the Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1.1, ER.30.2, and ER.31.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory will hold an annual review of all policies and procedures. ii. Worker representation must be present and any updates will be distributed to all employees upon completion on the review.

Planned completion date

01/15/17

Company Action Plan Update

We did annual review of all policies and procedures from 2018. please see files as attached.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory was unable to provide the personnel files and proof of age documentation for 40 permanent workers for the assessors to review.
2. The factory did not sign employment contracts with 19 permanent workers.
3. According to factory management, there are at least 10 temporary workers that work in the factory during the peak period. The factory hires these workers directly. However, the factory could not provide their time and payment records or personnel files, including proof of age documentation and labor contracts, for the assessors to review.
4. The factory does not employ any disabled workers, which is a violation of legal requirements which state that at least 1.5% of the total workforce should be composed of disabled workers. The factory contributes to the Employment Security Fund in lieu of employing disabled workers as allowed under local law, however, this practice poses a risk of discrimination.
5. The factory does not conduct performance reviews for any of its employees, including new employees during their probation period.

Local Law or Code Requirement

Labor Law of PRC (1995), Articles 36, 38, 41, 44 & 48; State Council Order No. 364 of People's Republic of China "Regulation on Prohibition of Child Labor" (2002), Article 4; Law of the People's Republic of China on Employment Contract (2008), Article 10; Regulation on the Employment of Disabled (2007), Article 8; Regulation on the Employment of the Disabled of Jiangsu Province (2006), Article 4; FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.2.1, ER.4, ER.11, and ER.29; Child Labor Benchmark CL.1; Hours of Work Benchmark HOW.1.1; Compensation Benchmarks C.1, C.5, and C.15; Non-Discrimination Benchmarks ND.1 and ND.2.1)

Recommendations for Immediate Action

1. Maintain personnel files and proof of age documentation for all employees and make them available to assessors for review.
2. Sign employment contracts with all employees, as legally required.
3. Maintain and review all necessary records for all temporary workers to ensure that they comply with local law and the FLA Workplace Code. Make these records available to assessors for review.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory to designate responsible party to update policies and procedures regarding recruitment. ii. Appropriate staff will be trained on updated recruitment policies and procedures. iii. Factory to obtain and file appropriate personnel files, including proof of age, for all existing employees.
2. Factory must obtain and file signed contracts with all existing employees.
3. i. For future temporary workers, the factory must obtain and file all normal personnel files and contracts. ii. Factory must keep record of all temporary worker files for a period of 24 months after the end of their employment.
4. i. Factory to ensure no discriminatory language is present in any job postings and hire the next qualified disabled worker. ii. Factory will identify specific worker positions that are suitable for disabled workers to aid in selection for employment. iii. Until the 1.5% requirement is met, the factory will continue to contribute to the Employment Security Fund.
5. i. In accordance with Performance Review policies and procedures developed as a directive in previous findings, the factory will administer annual performance reviews for all employees. ii. Factory to establish process for performance reviews at the end of employee probationary period.

Planned completion date

01/15/17

Company Action Plan Update

All the staff files are complete, and all the contracts are signed. And will do annual performance review reviews for all employees and no disabled worker now. Please see files as attached.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. A review of payroll and time records from September 2015 to August 2016 showed that all production workers were paid 100% their normal wage rate for overtime worked on normal working days and rest days, instead of an overtime premium 150% and 200% of their normal wages respectively, as legally required.
2. The factory does not provide workers with paid holidays, as required by law.
3. The factory does not provide eligible workers (those who have worked for at least 12 months) with paid annual leave. Approximately 90% of the workers in the factory are eligible for paid annual leave.
4. The factory paid two workers' May 2016 wages on July 20, 2016, 20 days after the end of the pay period.
5. According to factory management, the factory does not provide workers a pay statement for each pay period.
6. The factory does not contribute to social insurance for all workers; 67.9% of workers are not covered by work-related injury, pension, medical, unemployment, and maternity insurance. Furthermore, the social insurance contribution base is not aligned with workers' actual earnings. The factory calculates the contribution base according to the minimum contribution standard of CNY 269 (USD 39.71), while most workers' actual earnings are higher.

Local Law or Code Requirement

Labor Law of PRC (1995), Articles 44, 50, 51 & 72; Regulations on Wage Payment in Jiangsu Province (2005), Articles 13, 17, 20 & 29; Interim Provisions on Payment of Wages (1995), Article 7; Regulations on Annual Leave for Employees (2008), Article 2; PRC Social Insurance Law, Articles 2, 58 & 60; FLA Workplace Code (Employment Relationship Benchmarks ER.18 and ER.22; Compensation Benchmarks C.1, C.4, C.7, C.10, and C.13; Hours of Work Benchmarks HOW.11 and HOW.14)

Recommendations for Immediate Action

1. Pay workers at the correct overtime premium rate, as required by law. Retroactively compensate any workers who have been underpaid in the last 12 months.
2. Provide workers with all legally required paid holidays.
3. Provide all eligible workers with paid annual leave.
4. Ensure that all wage payments are made on time, within 20 days of the end of the pay period.
5. Provide workers with a pay statement for each pay period.
6. Contribute to social insurance for all workers, and ensure that the contribution base is aligned with workers' actual earnings.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory to develop an improved timekeeping sheet to easily identify all different types of working hours. ii. Factory to maintain employee timekeeping sheets for a period of 24 months. iii. All future overtime hours must be compensated at the legally required rate. iv. Factory to analyze the last 12 months for all current employees and compensate any overtime worked during that period at the legally required rate.
2. All workers will be provided with paid holidays.
3. All eligible workers (12+ months of employment) must be provided with the legally required annual leave.
4. All wage payments will be paid to employees within a 20-day period
5. i. Factory to develop and employee pay statement that clearly details: Hours worked by type, compensation for each type of working hours and any deductions. ii. Employees will be provided with the pay statement at the conclusion of each pay period. iii. Factory will update compensation policies and procedures with all corrective actions taken for this finding. iv. Employees will be provided training over the updated compensation policy and procedure.

6. i. Factory must contribute the appropriate payment to Social Security for all employees by 5/1/2017. ii. Factory to work with local government to determine appropriate social insurance contribution base and implement by 4/1/2017. iii. All employees must be covered by all legally required forms of insurance by 7/1/2017. iv. Factory must provide training to all employees regarding social security to raise awareness

Planned Completion Date
01/01/18

Planned completion date

01/15/17

Company Action Plan Update

1. Factory revise the wage payment structure, and workers OT premium meet law requirement.

1. - Observation - Remediated

The factory is using hourly payment plus bonus since Mar 2018 instead of the previous piece rate wages. The OT premium was paid as 150% and 200% of their normal wages respectively, as legally required.

2. All workers will be provided with paid holidays.

2. - Observation - Remediation is in the process

The Holiday wages were paid to 3 monthly-payment wages employees while other workers were paid for the holidays.

3. All eligible workers (12+ months of employment) will be provided with the legally required annual leave.

3. - Observation - Remediation is in the process.

Currently only 3 monthly-payment wages employees enjoy 7 days annual leave a year. No annual leave is provided to eligible production workers.

4. All wage payments will be paid to employees within a 20-day period

4. -Observation - Remediation is in the process.

Currently the factory pays the wages to workers within 28 days of the end of the pay period.

5. i. Factory to develop and employee pay statement that clearly details: Hours worked by type, compensation for each type of working hours and any deductions. ii. Employees will be provided with the pay statement at the conclusion of each pay period. iii. Factory will update compensation policies and procedures with all corrective actions taken for this finding. iv. Employees will be provided training over the updated compensation policy and procedure.

5.- Observed - Remediated

The factory provides payroll slip to workers on every wages payment date.

6. i. Factory will contribute the appropriate payment to Social Security for all employees. ii. Factory to work with local government to determine appropriate social insurance contribution base and implement. iii. All employees must be covered by all legally required forms of insurance. iv. Factory will provide training to all employees regarding social security to raise awareness

6. - Observed - Remediation is in the process

30 out of total 64 employees were provided with social insurance in Mar 2019. According to local government requirement, it is compulsive that all companies provide social insurance to 100% employees by the end of 2019.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory provided workers with incorrect information; they told workers that contributing to social insurance is optional and at their discretion.

2. The factory does not contribute to the Housing Provident Fund for any workers, as legally required.

Local Law or Code Requirement

Regulation on the Housing Provident Fund Management (2002), Articles 15, 19 & 20; Regulation on the Housing Provident Fund Management of Suzhou City (1997), Articles 8, 9 & 11; FLA Workplace Code and Benchmarks (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1, C.10, and C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory to hold training classes on Social Insurance to provide employees with correct information.

2. i. Factory to develop plan to improve worker participation in the Housing Provident Fund to full participation by EOY 2019. ii.

Factory will reach the following benchmarks for worker participation: 15% by 6/1/2017, 30% by 1/1/2018, 45% by 6/1/2018, 60% by 1/1/2019, 80% by 6/1/2019 and 100% by 1/1/2020.

Planned Completion Date

01/01/20

Planned completion date

01/15/17

Company Action Plan Update

1. Observed - Remediation is in the process

The factory has not provide the training on social insurance to all employees.

2. Observed - Remediation is in the process

Up to Mar 2019, 4 out of total 64 employees enjoy the Housing Provident Fund.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. During a review of sampled time records from September 1, 2015-September 21, 2016, assessors noticed the following issues:
 - a. During all months sampled, 65% of production workers' daily overtime hours exceeded the legal limit of three hours, with an average of three and a half hours of daily overtime. In June 2016, 65% of production workers worked up to four and a half hours of daily overtime.
 - b. During the months of September-November 2015, January 2016, and March-August 2016, 90% of workers' monthly overtime hours exceeded the legal limit of 36 hours, with an average of 90 hours of overtime per month and a maximum of 147.5 hours in June 2016.
 - c. During the period of March 1, 2016-September 21, 2016, 65% of production workers' weekly working hours regularly exceeded 60 hours, with an average of 69 hours worked per week. In June 2016, 30% of workers worked up to 81.5 hours per week.
 - d. During the period of September 1, 2015-September 21, 2016, 80% of production workers regularly did not receive at least one day off in every seven-day period. The maximum number of consecutively worked days was 29; approximately 50% of workers worked every day from June 11, 2016-July 9, 2016.
 - e. The factory did not maintain approximately 21 workers' time records from September-October 2015, January 2016, and June 2016 for assessors to review.
2. The factory's production plan always includes overtime (e.g. planning with 48 working hours/week, which includes Saturday overtime).

Local Law or Code Requirement

Labor Law of the PRC (1995), Articles 38 & 41; Labor Protection of Jiangsu Province (2003), Articles 29; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2, and HOW.8; Employment Relationship Benchmark ER.2.1)

Recommendations for Immediate Action

1. Ensure that workers' daily overtime hours do not exceed the legal limit of three hours.
2. Ensure that workers' monthly overtime hours do not exceed legal limit of 36 hours.
3. Ensure that workers' weekly hours do not exceed the FLA limit of 60 hours.
4. Provide all workers with at least one day off in every seven-day period. If workers must work on a rest day, provide workers with an alternative day off within that same seven-day period or immediately following.
5. Maintain the time records for all employees and make them available to assessors for review when requested.
6. Do not include overtime in production planning.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Huihai Sports Goods Finding 8 - Hours of Work

Details

- 1A. Factory to improve production planning in order to ensure employee daily overtime does not regularly exceed 3 hours.
- 1B. Factory to improve production planning in order to ensure employee monthly overtime does not exceed 36 hours.
- 1C. Factory to improve production planning in order to ensure employee total weekly hours do not exceed 60 hours.
- 1D. i. Required to schedule at least one day off per period of seven consecutive days for each employee. ii. If an employee must

work on the rest day, they are to be provided a separate day off during the same seven-day period or the next day immediately following.

1E. Newly developed timekeeping sheet detailed in previous findings will be maintained and kept on file for a period of 24 months.

2. Factory production planning must not regularly include overtime.

GTM Comment:

GTM provides annual capacity planning for GTM specific orders and work cooperatively with all our factories to ensure they are able to properly plan for our demand. This process includes not only visibility to our overall annual need, but also smoothing that demand over the year to avoid any large spikes in demand. We have no visibility or involvement with the planning of their orders from other customers. The GTM Capacity Plans are based on conversations between our Remote Offices and Factory Management. Part of our Order Placement process is communication with our Remote Offices for an update on factory capacity outlook and our lead times are established at that point. GTM does not contribute a large enough portion of business with this factory to influence its overall working hours significantly.

Planned completion date

01/15/17

Company Action Plan Update

We will improve the production plan to ensure that employees do not work overtime for more than 36 hours per month, and the working hours are less than 36 hours per week.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

The factory has not obtained a report on environmental impacts, a report form on environmental impacts, or a registration form on the environmental impact of the construction of the facility.

Local Law or Code Requirement

Law of the People's Republic of China on Appraising of Environment Impacts (2003), Article 16; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.4)

Recommendations for Immediate Action

Obtain a valid environmental permit and related documentation.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory to establish communication with local service and local government to evaluate environmental impacts. ii. Factory will be required to obtain and file valid environmental permits and documentation.

Planned Completion Date

10/01/17

Planned completion date

01/15/17

Company Action Plan Update

1. i. Factory establish communication with local service and local government to evaluate environmental impacts. ii. Factory will obtain the report form on environmental impacts. Planned to be completed December 2019.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Three fire extinguishers in the warehouse and the packing workshop are placed directly on the floor instead of being properly mounted.
2. The canteen does not have a second emergency exit, although it should due to its size (300 square meters).
3. None of the eight emergency exits in the sewing, embroidery, binding, and packing workshops (two emergency exits per workshop) are equipped with emergency lighting or exit signs. Furthermore, the two emergency exit signs in the material warehouse are not illuminated at all times.
4. The factory has not installed illuminated evacuation signs in the evacuation aisles and their corners (where the aisle turns).
5. The factory has not installed a fire alarm system in the packing workshop on the first floor of the production building.
6. The fire alarm system on the third floor of the production building does not have a backup battery.

Local Law or Code Requirement

Code for Design of Extinguisher Distribution in Buildings (2005), Article 5.1.3; Code for Design of Building Fire Protection and Prevention (2014), Articles 3.7.2, 10.3.1 & 10.3.5; Code for Design of Automatic Fire Alarm System (2013), Articles 6.5.2 & 10.1.1; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5.1, and HSE.6.1)

Recommendations for Immediate Action

1. Properly mount the fire extinguishers in the warehouse and the packing workshop. The tops of the fire extinguishers should be less than 1.5 meters above the floor, and the bottoms of the fire extinguishers should be no less than .08 meters above the floor.
2. Provide a second emergency exit in the canteen.
3. Install emergency lighting and illuminated exit signs at all emergency exits.
4. Install illuminated evacuation signs in all evacuation aisles and their corners.
5. Install a fire alarm system in the packing workshop on the first floor of the production building.
6. Install a backup battery for the fire alarm system on the third floor of the production building.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. i. Factory to train responsible staff and key workers in all departments in regards to Health & Safety. ii. Trained staff and workers will be responsible for conducting monthly internal monitoring for Health & Safety issues. iii. Fire extinguishers to be mounted at a height that does not require the standard employee to bend or strain to remove the extinguisher from its mount.
2. Factory to ensure there is a second available emergency exit in the canteen.
3. i. Factory to acquire and mount appropriate emergency exit signs in sewing, embroidery, binding and packing workshops. ii. Factory to ensure all emergency exit signs are properly illuminated, remain illuminated at all times and have monthly maintenance and checks performed.
4. Factory to install illuminated evacuation signs in all evacuation aisles and corners.
5. Fire alarm system to be installed on the first floor packing workshop.
6. Third floor fire alarm system to have back-up battery installed.

Planned completion date

01/15/17

Company Action Plan Update

All extinguishers have been installed correctly, and the canteen also has second emergency exits. Emergency lighting and exit signs have been installed.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have any personnel that are trained in first aid.
2. None of the sewing machines are equipped with needle guards.
3. The three employees handling electric cutters in the cutting workshop have not been provided with metal mesh gloves.
4. The factory did not carry out a pre-assessment of occupational health hazards prior to starting production and has not conducted an assessment of the current condition of occupational health hazards. The factory has operated at the current location since June 2014.
5. The factory was unable to provide the inspection reports for completed construction projects or the fire permit for the two-story canteen building for assessors to review.
6. The factory does not track all illnesses as they do not currently have a tracking system in place. Factory management reported that not many workers apply for sick leave, so they overlooked monitoring workers' illness.

Local Law or Code Requirement

Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (2012), Articles 17 & 18; Health Standard for Design of Industrial Enterprise (2010), Article 8.1.2; Code of Design of Manufacturing Equipment Safety and Hygiene (1999), Article 6.1.6; Law of the People's Republic of China on Production Safety (2002), Article 37; Fire Control Law of the People's Republic of China (2009), Article 13; Interim Measures on Supervision and Management of "Three Simultaneities" for Occupational Health of Construction Projects (2002), Article 10; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.4, HSE.6.2, HSE.7, and HSE.14)

Recommendations for Immediate Action

1. Train relevant employees on first aid.
2. Install needle guards on all sewing machines and conduct regular inspections to ensure they are in place.
3. Provide metal mesh gloves for all workers who handle electric cutters and train them on the proper use and maintenance of PPE.
4. Commission a certified third-party expert to conduct an assessment of the occupational health hazards in the factory.
5. Obtain an inspection report for the completed construction projects and a fire permit for the canteen building. Make these documents available for assessors to review when requested.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Employee Training program will include an individual training on basic first aid.
2. i. Sewing machines must be outfitted with appropriate needle guards. ii. Factory to conduct weekly inspections to ensure all needle guards remain in the appropriate place.
3. Factory provide metal mesh gloves and training for employees handling electric cutters.
4. Factory to contract a third party to conduct an assessment of occupational health hazards in the factory.
5. i. Factory to work with local government to obtain and file building inspection reports and fire permit for the canteen building. ii. Documents are to be kept readily accessible upon request.
6. i. Factory to establish employee illness tracking program and keep records for a period of 24 months.

Planned completion date

01/15/17

Company Action Plan Update

we have provided provide metal mesh gloves for employees.And put the needle guards.and provide metal mesh gloves. and the canteen is below 300 square meters,and the building cost for canteen is below 300,000.00 CNY. And we provided individual training on basic first aid.