



COMPANIES: Fast Retailing Co., Ltd.

COUNTRY: China

ASSESSMENT DATE: 10/21/16

ASSESSOR: Openview

PRODUCTS: Apparel

NUMBER OF WORKERS: 500

## FLA Comments

This report was submitted with a corresponding corrective action plan to the FLA and was reviewed by FLA staff. In an effort to improve the effectiveness of remediation, the FLA has provided feedback and recommendations to the company, however the recommendations regarding the Hours of Work and Housing Provident Fund have not been agreed or incorporated by the company. The report is posted in its current state and is considered finalized. Updates on the progress of the corrective action will be posted when received by the company.

## Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

1. The orientation training focuses solely on machine safety and factory disciplinary regulations. It does not cover Personnel Development, Industrial Relations, Grievance System, Termination & Retrenchment, or Environmental Protection. Workers do not receive written documentation that substantiates all the issues covered in orientation.
2. The factory does not provide ongoing training to workers, supervisors, or managers on any of the Employment Functions.
3. The factory does not provide specific training for relevant supervisors on the following Employment Functions: Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct, Grievance System, or Environmental Protection.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.16, ER.17, ER.26, and ER.27)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

1. HR will update the policy and procedure of Personnel Development, Industrial Relations, Grievance System, Termination & Retrenchment, or Environmental Protection, and then provide training to all employees once a year after update.

Planned Completion Date 12/31/17

##### Planned completion date

02/09/17

##### Company Action Plan Update

1. The factory had updated the policy and procedure for Grievances, environmental protection, personal development ,termination and retrenchment. HR set up 2018 yearly orientation training and provided training to all employees including newly recruited workers in Mar 2018.

The training course is included in th orientation training. 01/28/19

1. HR will update the policy and procedure of Personnel Development, Industrial Relations, Grievance System, Termination & Retrenchment, or Environmental Protection, and then provide training to all employees once a year after update. FR will push factory's HR to update the training policy to every 3 months based on the recruitment by next year. 03/13/18

## Action Plan no 2.

### Description

2. HR will provide ongoing training to workers, supervisors, or managers on any of the Employment Functions once a year.  
Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

2. The factory had updated the policy and procedure for Grievances, environmental protection, personal development ,termination and retrenchment. HR set up 2018 yearly ongoing and orientation training, provided training to all employees including newly recruited workers,supervisors and managers in Mar 2018. The training course is included for the ongoing training. 01/28/19

2. HR will provide ongoing training to workers, supervisors, or managers on any of the Employment Functions once a year. FR already contact factory to provide detailed document as soon as possible. 03/13/18

## Action Plan no 3.

### Description

3. HR will provide specific training for relevant supervisors of Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct, Grievance System, or Environmental Protection basically once a year.  
Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

3. The factory had updated the policy and procedure for Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct, Grievance System, or Environmental Protection. HR set up 2018 yearly ongoing training, provided training to relevant supervisors and managers in Mar 2018. The training course is included for the ongoing training. 01/28/19

3. HR will provide specific training for relevant supervisors of Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct, Grievance System, or Environmental Protection basically once a year. FR already contact factory to provide detailed document as soon as possible. 03/13/18

## FINDING NO.2

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Review Process (Macro)

### Finding Explanation

1. The factory does not periodically review and update the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; Environmental Protection; and Health & Safety.
2. The factory does not update the policies and procedures according to changes in local laws and the FLA Code for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Environmental Protection, and Health & Safety.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.30, and ER.31)

## COMPANY ACTION PLANS

### Action Plan no 1.

### Description

1. The factory is setting up the review and update policy and procedure. 01/28/19

1. HR and compliance key person review and update Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct; Grievance System; Environmental Protection; and Health & Safety basically once a year.

Planned completion date

02/09/17

## Action Plan no 2.

### Description

2. HR will update the policies and procedures according to changes in local laws of Recruitment, Hiring & Personnel Development, Compensation, Environmental Protection, and Health & Safety basically once a year, and provide training to all workers.

Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

2. HR updated the policies and procedures according to changes in local laws of Recruitment, Hiring & Personnel Development, Compensation, Environmental Protection, and Health & Safety basically and provided training to all workers and relevant employees. Will continue update accordingly. 01/28/19

2. Fty established employee promotion policy, stipulated requirements and procedure of promotion/transfer/demotion/dismiss in December 2016; updated policies of recruitment, grievance system and environment protection according to local laws. FR will contact factory to provide the policy and procedure document. 03/13/18

2. Fty established employee promotion policy, stipulated requirements and procedure of promotion/transfer/demotion/dismiss in December 2016; updated policies of recruitment, grievance system and environment protection according to local laws. 09/26/17

2. Improving as plan 03/27/17

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. The worker integration component is missing for all 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.

2. The factory does not communicate the policies and procedures and their updates to the general workforce on the Employment Functions including updates on Recruitment & Hiring, Compensation, Hours of Work, Industrial Relations, Termination & Retrenchment, Workplace Conduct, Grievance System, Environmental Protection, or Health & Safety.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.29, ER.30, and ER.32; Compensation Benchmark C.17)

### COMPANY ACTION PLANS

## Action Plan no 1.

### Description

1. After workers' representative election, factory managements will discuss with worker representative of how workers participate in policy management.

Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

1. Factory set up the procedure for Proposal/Suggestion mechanism, Admin Dept conduct management satisfaction survey, and all the feedback would be considered to management system for the update of the policy and procedures. 01/28/19

1. After workers' representative election, factory managements will discuss with worker representative of how workers participate in policy management. FR will communicate with factory management to create the procedure on worker integration such as orientation and feedback collection, and then involve workers in its decision-making according the established procedure. 03/13/18

## Action Plan no 2.

### Description

2. HR and compliance key person will take charge of review and update basically once a year. They will also provide training to workers after update every year. Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

2. The factory had updated the policy and procedure for Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct, Grievance System, or Environmental Protection. HR set up 2018 yearly ongoing training, provided training to relevant supervisors and managers in Mar 2018. The training course is included for the ongoing training and will continue the training . 01/28/19

2. Policy of review and update procedure hasn't been established. Fty managements established policy of workers promotion, updated working hour and payment policy, health and safety policy, and provided training to all workers in March 2017. Training record has be confirmed. But according to workers interview, workers didn't know the updates very well. 09/26/17 2. improving as plan 03/27/17

(2020/1/7 -updated)

2. The factory conducts training on a yearly basis to the general workforce on the Employment Functions including updates on Recruitment & Hiring, Compensation, Hours of Work, Industrial Relations, Termination & Retrenchment, Workplace Conduct, Grievance System, Environmental Protection, or Health & Safety

## FINDING NO.4

### IMMEDIATE ACTION REQUIRED

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

#### Finding Explanation

The job application form includes a question regarding marital status, which would lead to discrimination during the recruitment process

#### Local Law or Code Requirement

FLA Workplace Code (Nondiscrimination Benchmark ND.4)

#### Recommendations for Immediate Action

Remove the marital status from the job application.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Deleted the question from recruitment document.

##### Planned completion date

02/09/17

##### Company Action Plan Update

09/26/17 : The question regarding marital status has been deleted.

## FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

There are no policies and procedures regarding workers' Personnel Development.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, and ER.29)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. HR management establish policies and procedures regarding workers' Personnel Development with workers' input.

Planned Completion Date 12/31/17

##### Planned completion date

02/09/17

##### Company Action Plan Update

1. The factory had updated the policy and procedure for Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct, Grievance System, or Environmental Protection. HR set up 2018 yearly ongoing training, provided training to relevant supervisors and managers in Mar 2018. The training course is included for the ongoing training and will continue the training . 01/28/19

1. Fty established employee promotion policy, stipulated requirements and procedure of promotion/transfer/demotion/dismiss in December 2016. According to workers interview, workers didn't know this policy very well. Factory is going to provide training to all workers again on the new procedure by end of 2017. 03/13/18

1. Fty established employee promotion policy, stipulated requirements and procedure of promotion/transfer/demotion/dismiss in December 2016. According to workers interview, workers didn't know this policy very well. 09/26/17

1. improving as plan 03/27/17

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

The production plan always includes overtime. The factory plans production for 48 hours per week, which includes eight hours of overtime. Although documentation was contradictory (interviewed workers reported that their daily quotas took them an average of 60 hours a week to meet while working hours record showed no more than 52 hours per week), both were above the regular 40 hour work week.

##### Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

#### Description

1. HR and production manager already tried the best to control overtime working. Production team will try to communicate with clients to have less urgent order and stable lead-time to finish production.

Planned Completion Date 12/31/17

#### Planned completion date

02/09/17

#### Company Action Plan Update

1. The factory adjusted the production planning on the basis of 48 hour/week. For a better understanding the working hour arrangement for the workers, factory publishes the monthly production hour plan and will follow up if any adjustment. There is no quota for workers. 01/28/19

1. According to managements interview, fty's current production plan is still based on 48h per week. HR and compliance key person provided training of working hour and payment calculating to all workers. No inconsistency found in workers Interview. 09/26/17

1. improving as plan 03/27/17

## FINDING NO.7

### UNCORROBORATED RISK OF NON-COMPLIANCE

#### FINDING TYPE: Hours of Work

#### Finding Explanation

1. The time recording system is inaccurate. The factory uses a fingerprint reader system to record working hours. On the day of the audit, October 20, 2016, the assessor tested the time recording system sometime between 9:45-10:20, however, the time recording system is supposed to print out the testing time but it printed out all workers' full day each in-and-out time, including overtime, from 17:30-17:45 to 19:00-19:15. Management could not explain how this error happened.

2. In order to verify the authenticity of the time records, the assessor asked to review the CCTV records showing production activity, but management refused the assessor's request. Eight out of 45 interviewed workers reported that their supervisor sets up a daily work quota which took workers an average of 60 hours a week to meet. However, the factory-provided time card did not show workers working more than 52 hours a week. Due to the above inconsistencies, the real status of working hours could not be verified.

#### Local Law or Code Requirement

China Labor Law, Article 41; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23; Hours of Work Benchmarks HOW.1, HOW.2, and HOW. 5)

#### Recommendations for Immediate Action

Ensure the time recording system is accurate.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Changed a new attendance record system.

#### Planned completion date

02/09/17

#### Company Action Plan Update

1. Fty has started using new attendance record system, workers use IC card to record In/Out time. No irregular date found during this follow up assessment. 09/26/17

1. Changed a new attendance record system. 03/27/17

### Action Plan no 2.

#### Description

2. Improve communication with all workers and let them understand the difference of production plan and true working hour.

#### Planned completion date

02/09/17



#### Company Action Plan Update

2. HR provided training to all workers to explain the difference of production plan and true working hour, let workers understand that they need to record their working hour based on actual attendance situation including overtime. According to attendance records confirmation and workers' interview, no inconsistency found during this audit. 09/26/17
2. improving as plan 03/27/17

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

There are no policies or procedures regarding Termination & Retrenchment.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.32)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. HR management establish policies and procedures regarding Termination & Retrenchment, and will provide training to all workers if any update.

Planned Completion Date 12/31/17

##### Planned completion date

02/09/17

##### Company Action Plan Update

1. The factory updated the policy and procedure for termination and retrenchment and provided ongoing and orientation training to relevant employees

## FINDING NO.9

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

1. A review of social insurance payments from October 2015 to September 2016, and interviews, showed that the factory does not provide workers with sufficient social insurance. Only 85.4% of employees were covered by work-related injury, maternity, pension, unemployment, and medical insurance in September 2016. Other workers were not covered by any of the five types of social insurance. The findings were similar in the other 11 months reviewed in the past year.
2. The factory does not contribute to the legally required Housing Provident Fund.
3. The factory does not pay warehouse workers who work outdoors (approximately eight at the time of the assessment) the legally-required high temperature work subsidy.

##### Local Law or Code Requirement

China Labor Law, Articles 72 and 73; Social Insurance Law of the PRC, Article 12 and 58; Regulations on Management of Housing Provident Fund, Article 15; Weifang City Housing Provident Fund Deposit Management Approach; Heatstroke Prevention Management Approach, Article 17. FLA Workplace Code (Employment Relationship Benchmark ER.1 and ER.22; Compensation Benchmark C.1)

##### Recommendations for Immediate Action

1. Contribute to all legally required social insurance contributions based on workers' actual monthly wages.
2. Pay workers who work outdoors the high temperature subsidy.

### COMPANY ACTION PLANS



## Action Plan no 1.

### Description

2. The factory will conduct internal survey, analyze the cost increase and develop practical plan to participate housing fund. 01/28/19

2. HR will have a explanation to all workers to explain the benefits of this fund and consider next action plan based on workers' reaction.

Planned Completion Date 12/31/17

### Planned completion date

02/09/17

## Action Plan no 2.

### Description

1. HR will give all workers an explanation in May every year, and introduce the benefits of social insurance to new employees in hiring procedure. Increase 5% of all workers every year. Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

1. As of Dec 2018, there 616 out of 637 (96.7%) workers participated the five kinds of social insurance, comparing to the ratio 85.4% in 2016, factory followed the plan to increase the participant rate by 5% every year. HR will continue to provide explanation to workers and to increase the participant rate gradually to 100%. 01/28/19 1. HR provided an explanation to all workers in March 2017, explained requirements of government and the benefits of joining social insurance. Fty updated social insurance waiver in May 2017, 620 out of 668 workers have joined social insurance currently. 09/26/17 1. improving as plan 03/27/17

1. (2020/1/7 update)The total employee in the factory is 652, including 5 workers hired after retirement, 647 of 647 workers are enrolled social insurance

## Action Plan no 3.

### Description

3. HR management establish the policy and pay warehouse workers who work outdoors (approximately eight at the time of the assessment) the legally-required high temperature work subsidy. To avoid such problem , HR management will also update law requirements from newspaper or notice from local government. The way of the implementation will be discussed with the factory continuously.

Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

3. Factory identifies the workers who work outdoors and pay the allowance of high temperature work in summer as per local regulation.

3. HR established high temperature work subsidy policy in December 2016, and be effective from January 1, 2017. Fty will provide the subsidy of June (RMB200) at the same time of paying the wage in July. 09/26/17

3. improving as plan 03/27/17

## FINDING NO.10

### UNCORROBORATED RISK OF NON-COMPLIANCE

### FINDING TYPE: Compensation

### Finding Explanation

The factory does not have a reliable and effective time recording system in place. The payroll records were calculated based on the

unreliable time records provided by factory management. Therefore, the wages could not be fully verified.

#### Local Law or Code Requirement

China Labor Law, Article 44 and 48; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.2 and ER.23; Compensation Benchmark C.1, C.2, C.5, and C.7)

#### Recommendations for Immediate Action

Maintain a reliable and effective time recording system and compensate workers their wages and benefits based on all hours worked, as legally required

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

- 1, let all workers confirm their attendance records and sign on paper if no mistake
- 2, change a new attendance record system

##### Planned completion date

02/09/17

##### Company Action Plan Update

09/26/17 : Print out monthly working hour summary and have all workers to confirm with signature. HR keeps checking if this new system is functional and stable.

03/27/17 : improving as plan

### FINDING NO.11

### 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 union representatives are appointed by management.
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

PRC Labor Union Law, Article 9 and Article 45; FLA Workplace Code (Freedom of Association Benchmark FOA.2 and FOA.11)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. HR will have a explanation to all workers so they could know their full rights of representative election.

##### Planned completion date

02/09/17

##### Company Action Plan Update

- 1-1. Factory had updated the election policy on Feb 24 2017 and published in every workshop, supervisor in each workshop provided explanation and training to workers for the full right of representative election.
- 1-2. The election was held on Feb 27 2017, worker representative candidates attend the election, 608 workers ( about 700 workers in the factory) voted and 18 workers representative were elected from 7 different workshops as their representative. 09/26/17
1. improving as plan 03/27/17

## Action Plan no 2.

### Description

2. HR management will provide explanation and training for all workers to let them understand their rights to establish labor union by end of 2017. Then workers establish labor union by themselves with fty management's support and make policy and procedure by Jun 30, 2018.

### Planned completion date

02/09/17

### Company Action Plan Update

2. Factory trade union hosted worker representative meeting, established new trade regulation and policy, clearly defined the right of trade union members, representatives supervising and involving the factory management and to protect the legal rights and benefits of workers.

2. FLA Comments: This is a China-specific automatic noncompliance. No need CAP. 03/13/18

## FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

### Finding Explanation

1. The workers do not have the right to participate and be heard in a disciplinary procedure against them.
2. The factory's current disciplinary procedures do not include an appeal process or respect workers' right to have a third party witness present during imposition of the disciplinary action.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

### COMPANY ACTION PLANS

#### Action Plan no 1.

### Description

1. HR management establish the policy of having worker representative to participate and be heard in a disciplinary procedure against them. Integrate workers' input if any and provide training to all workers to understand the update.

Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

1. HR management establish the policy of having worker representative to participate and be heard in a disciplinary procedure against them. Integrate workers' input if any and provide training to all workers to understand the update.

#### Action Plan no 2.

### Description

2. HR management update the policy of including an appeal process or respect workers' right to have a third party witness present during imposition of the disciplinary action. HR management will provide training to all workers after update.

Planned Completion Date 12/31/17

### Planned completion date

02/09/17

### Company Action Plan Update

2. HR manager updated the worker manual by adding the procedure of appeal process and third party witness present during imposition of the disciplinary action and updated the recording format accordingly.

## FINDING NO.13

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

The factory has not obtained the Environmental Protection Acceptance Check Approval.

##### Local Law or Code Requirement

Measures for Administration of Environmental Protection Acceptance Check upon Completion of Construction Project, article 17; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.4)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Already done. Compliance key person will keep this document in office.

##### Planned completion date

02/09/17

##### Company Action Plan Update

09/26/17 : A 1 ready done. Compliance key person will keep this document in office.

03/27/17 : Already done. Compliance key person will keep this document in office.

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. At the loading platform, there is no mid-bar installed on the ladder for fall protection (both the ladder and platform are about 1.5 meters in height).
2. A fall protection chain is not used properly by workers on the loading platform, although workers are trained on proper use.
3. The needle protection shield on six sewing machines in the sewing workshop have been moved to an improper position.
4. The oxygen cylinder is stored with the acetylene cylinder (a combustible gas) in the factory maintenance area.
5. The factory does not equip the first aid kits with the necessary items (e.g., scald cream and scissors in the ironing workshop); Additionally, in the first aid kit on the fifth floor of the garment workshop, the disposable medical gloves expired in May 2013 and were no longer sanitary.
6. The factory does not keep food samples or have a procedure for canteen management to do so.
7. The factory could not provide assessors the occupational disease hazards assessment of the factory's current conditions.
8. The factory does not take steps to reduce repetitive-motion stress or injuries by providing adjustable workstations, removable armrests, or proper backrests for seated workers or anti-fatigue mats for standing position.
9. The factory does not provide lifting belts to loading workers.

##### Local Law or Code Requirement

Safety requirements for fixed steel ladders and platform-part3, Article 5.4.1; Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6; Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 6.4.11; General Rule for the Storage of Common Dangerous Chemicals (GB 15603-1995), Article 6.6; Health standard of Catering and collective meal distribution unit [2005]260, Article 35; GBT21431-2008 Technical specifications for inspection of lightning protection system in building, Article 6; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.14, HSE.17, and HSE.22)

##### Recommendations for Immediate Action

1. Install a mid-bar on the ladder used at the loading platform.
2. Train workers on the proper use of the fall protection chain on loading platform and regularly monitor usage.

3. Supervise and train employees to ensure they properly use the needle protection shields.
4. Store oxygen cylinders and acetylene cylinders separately.
5. Create a procedure to maintain food samples for the legally required time.
6. Ensure all first aid kits are fully equipped and hygienic.
7. Provide lifting belts to all loading workers and train workers on their proper use.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

2. Warehouse manager will check the mid-bar twice a day. Post a warning sign near the mid-bar.  
Planned Completion Date 11/30/17

#### Planned completion date

02/09/17

#### Company Action Plan Update

2. Factory installed fall protection chain for the loading platform and set up warning site to remind workers to use the chain.  
01/29/19  
2. Factory had equipped protection chain to prevent falling down on the loading platform. 09/26/17

### Action Plan no 2.

#### Description

7. HR will contact the qualified organization and have report updated before the current one expired.  
Planned Completion Date 12/31/17

#### Planned completion date

02/09/17

#### Company Action Plan Update

7. The factory conducted occupational disease hazards inspection and HR will contact the qualified organization for the assessment. 01/28/19

7. FR will ask factory to provide the report of occupational disease hazards assessment of the factory's current conditions as soon as possible. 03/13/18

7. Already done. Compliance key person will keep this document in office. 09/26/17

7. Improving as plan 03/27/17

### Action Plan no 3.

#### Description

8. H&S manager of factory is researching suitable equipment for replacing. No exact time frame so far. Planned Completion Date 12/31/19

#### Planned completion date

02/09/17

#### Company Action Plan Update

8. Factory keep paying attention to workers' well being and will conduct fatigue survey, understand the working condition on site and will replace the working tools gradually. 01/28/19 8-1. Factory set up speakers in each workshop and broadcasts exercise music to the plant every 2 hours, which reminds of workers to take rest and do exercise. The broadcasting lasts about 6 minutes. HSE will learn the ergonomics information and conduct an ergonomics risk analysis; 8-2. After having the basic knowledge for ergonomics information, factory will try to source external expertise for this topic to see if any improvement for current situation in the facility. 8-3. With the consultant from expertise, the management team will decide the next step, and the same time will execute the practices is doing currently. 03/13/18 8-1. Factory set up speakers in each workshop and broadcasts exercise music to the plant every 2 hours, which reminds of workers to take rest and do exercise. The broadcasting lasts about 6 minutes. 09/26/17

8. The factory purchased chairs with backrest, anti-fatigue mats for standing positions to reduce the repetitive-motion stress.

#### Action Plan no 4.

##### Description

1. Warehouse manager will check the mid-bar twice a day. Post a warning sign near the mid-bar.

##### Planned completion date

02/09/17

##### Company Action Plan Update

1-1. Factory had set up mid-bar on the ladder to prevent falling down.

1-2. Warehouse manager checks the mid-bar if it is firm enough for the protection regularly. 09/26/17

#### Action Plan no 5.

##### Description

3. Production line managers check all PPE on-site during working time and have equipment team to fix the broken ones soon as they are found. Equipment team check all PPE once a month.

##### Planned completion date

02/09/17

##### Company Action Plan Update

3-1. Equipment team had set up needle protection to sewing machines;

3-2. Workshop line managers provides onsite training to workers in oral to make sure workers understand the importance of needle protection facility. 09/26/17

3. Production line managers check all PPE on-site during working time and have equipment team to fix the broken ones soon as they are found. Equipment team check all PPE once a month. 03/27/17

#### Action Plan no 6.

##### Description

4. H&S manager will communicate with 3rd party contractor in advance that keep all equipment in specific area. Factory H&S key person patrol twice a day.

##### Planned completion date

02/09/17

##### Company Action Plan Update

4. The oxygen cylinder and the acetylene cylinder had been moved away from factory site by the 3rd party contractor 09/26/17

#### Action Plan no 7.

##### Description

5. Workshop managers will check first-aid once a week to make sure there are necessary items. H&S manager will check it once a month. HR provide training to workers so they could contact workshop manager if they found any item missed or expired.

##### Planned completion date

02/09/17

##### Company Action Plan Update

5-1. Factory had established first aid kit supply list to track the expiring date regularly;

5-2. Currently all the supply are within the valid date. 09/26/17

#### Action Plan no 8.

##### Description

6. Manager of canteen check the samples everyday before dinner and H&S key person of factory has random inspection once a week.

##### Planned completion date

02/09/17

##### Company Action Plan Update

6. The manager of canteen maintains the samples (about 100g) of the dishes every day in the fridge for 48 hours and keep the record in designated format for easy tracking. 09/26/17

#### Action Plan no 9.

##### Description

9. HR will provide training to workers who need it.

Planned completion date

02/09/17

Company Action Plan Update

9. Factory purchased lifting belts to loading workers and trained them how to apply the belt on Mar 16 2017. 2. The loading workers apply lifting belt for loading. 03/13/18

9. Factory purchased lifting belts to loading workers and trained them how to apply the belt on Mar 16 2017. 2. The loading workers apply lifting belt for loading. 09/26/17

## FINDING NO.15

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Two out of three exits door in the warehouse on the first floor in the production building do not open outward.
2. Traffic lanes and aisles are not clearly marked in the factory.
3. The factory has neither assessed, nor adopted, any visual signage or other aids to ensure that workers use safe driving practices on factory premises, such as indicators, convex mirrors on blunt ends, vehicle speed limit sign, and reflectors.
4. The factory does not conduct regular tests on the factory's lightning protection system.

##### Local Law or Code Requirement

The Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 6.4.11; FLA Workforce Code (Health, Safety & Environmental Benchmarks HSE.1 and HSE.5)

##### Recommendations for Immediate Action

1. Ensure all exit doors open outwards, in the the direction of evacuation.
2. Mark all traffic lanes and aisles in the factory.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

4. Factory will contact the relevant institute to conduct the test.

##### Planned completion date

02/09/17

##### Company Action Plan Update

4. The factory invited third party to conduct test on the lightening system that the system comply with legal requirement.