



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Kathmandu
COUNTRY: China
ASSESSMENT DATE: 11/15/16
ASSESSOR: Openview
PRODUCTS: Apparel
NUMBER OF WORKERS: 195

Summary of Code Violations

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

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

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide specific training to managers and supervisors for any Employment Function.
2. The factory does not provide ongoing training to workers for any Employment Functions.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Training (Macro) 1.1

Details

IA

1. Appoint Person Responsible for Training.
2. Develop training materials for supervisors for any employment function
3. Ensure that such training is provided.
4. Answer any questions.

SI

1. Train HR and related personnel responsible for training for supervisors.
2. Create a Training Policy, Training Outline and Course Content that addresses employment functions during worker orientation and supervisor training.
3. Include in worker handbook for supervisors.
4. Include these changes in supervisor promotion, orientation and on going training.
5. Employment functions will be reviewed to determine which needs to be prioritized for training.
5. Create system to monitor regular performance reviews.
6. Monitor implementation.

Planned completion date

02/10/17

Action Plan no 2.

Description

IA

1. Appoint Person Responsible for Training.
2. Develop training materials for workers on Any Employment Function including Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.
3. Provide training to workers.
4. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory.
2. Create a Training Policy, Training Outline and Course Content that addresses ongoing training to workers on any Employment Function including Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.
3. Roll out such training at least twice a year.
4. Include the same information in the employee handbook.

Planned completion date

02/10/17

Company Action Plan Update

evidence of training plan provided.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

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 and feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Established procedures to request and/or receive workers' input and feedback regarding the creation, implementation, and updating of policies and procedures. Systematically integrate and consult workers in decision-making processes. Please also provide training to all workers on the updated policy and procedure.

Planned completion date

02/10/17

Company Action Plan Update

training content and records provided.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory has not conducted management or internal reviews to ensure that policies and procedures are updated according to local laws and the FLA Workplace Code and Benchmarks across all Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Conduct management or internal reviews to ensure that policies and procedures are updated according to local laws and the FLA Workplace Code and Benchmarks across all Employment Functions.

Please also indicate the frequency of document review so that you are able to avoid such issue occurred again in the future.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "Build up guide catalogue of all the docs listing valid time for easy checking and updating. 排查全部文档，登记电子目录文件，设置有效日期，便于提醒管理人员查看到期信息。"

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory has not formally defined in writing the person(s) accountable for any of the Employment Functions. Furthermore, it has not formally defined the person(s) with ultimate accountability within the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Define in writing the person(s) accountable for any of the Employment Functions. Define the person(s) with ultimate accountability within the factory.

Planned completion date

02/10/17

Company Action Plan Update

job description and accountability contract provided .

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has not created written job descriptions for any of the positions.
2. The factory does not have written policies and procedures outlining the process for performance reviews; therefore, the factory does not conduct regular performance reviews.
3. There are no policies and procedures regarding workers' career paths or Personnel Development; therefore, the factory does not have

specific career paths or skill development plans for workers.

4. The factory has not hired any disabled workers, which is a violation of legal requirements that state at least 1.5% of the total workforce should be composed of disabled workers. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers as allowed by the local law, this practice carries the risk of discrimination based on FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, and ER.29; Nondiscrimination Benchmark ND.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Create written job descriptions for all positions.

Planned completion date

02/10/17

Company Action Plan Update

samples of job descriptions provided .

Action Plan no 2.

Description

Create written policies and procedures outlining the process for performance reviews and conduct regular performance reviews.

Planned completion date

02/10/17

Company Action Plan Update

samples of performance reviews provided.

Action Plan no 3.

Description

Create policies and procedures regarding workers' career paths and Personnel Development; create specific career paths or skill development plans for workers.

Please also integrate workers' thoughts when you establish policy and procedure. That would help you in the following training.

Planned completion date

02/10/17

Company Action Plan Update

sample of skill development plan provided.

Action Plan no 4.

Description

Look for ways to hire disabled workers as appropriate.

Identify what positions are suitable for disabled workers.

Include in advertisements for job opportunities that candidates with disabilities are welcome to apply.

Planned completion date

02/10/17

Company Action Plan Update

receipt of disable workers insurance provided.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory was unable to provide proof of social insurance payments in the past 12 months for assessors to review. However, in a review of social insurance application forms and participants list from October 2015 to November 2016, in addition to interviews with workers, it was found that all 182 eligible workers were provided with all five types of mandatory social insurance in November 2016: work-related injury, maternity, pension, unemployment and medical insurance. The factory does not provide any commercial accidental insurance for all three workers over retirement age (and therefore ineligible to make social insurance contributions), as required by the FLA.
2. The contribution base of the five types of social insurances is not in line with legal requirements. The contribution should be based on a worker's average monthly wage of the previous year, which for the factory averages between CNY 4,300 and CNY 4,900 per month (USD 644 to USD 734). However, the factory only contributes to the five types of social insurances based on the local minimum contribution base of CNY 2,812 to CNY 2,966 (USD 421 to USD 444) per month.
3. The factory does not enroll any of the workers into the legally required Housing Provident Fund.
4. The factory does not provide or pay resigned workers their unused annual leave and neither were interviewed workers aware of this legal requirement.
5. The factory has a policy and procedures on sick leave. However, about 90% of interviewed workers were not aware of this legal benefit. No workers had taken sick leave in the past 12 months.

Local Law or Code Requirement

China Labor Law, Articles 72 and 73; Social Insurance Law of the PRC, Article 12 and 58; The Regulations on Management of Housing Provident Fund, Article 2, 3 and 15; The Regulations of Tianjin City on Management of Housing Provident Fund, Article 12; The Regulations on Annual Leave for Employees, Article 2 & 3; The Opinion of the Ministry of Labor on Several Questions Concerning the Implementation of the China Labor Law, Article 59; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.22; Compensation Benchmark C.1; Hours of Work Benchmarks HOW.11, HOW.14 and HOW.16)

Recommendations for Immediate Action

1. Provide all workers with government-mandated insurance, as well as commercial work-related injury insurance for workers ineligible for social insurance. Base contributions for social insurance on workers' actual wages.
2. Provide or pay out unused annual leave to resigned workers.
3. Enhance training and worker communication on the sick leave policy so that workers are aware of their benefits.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Determine how many workers do not have government-mandated insurance, as well as commercial work-related injury insurance for workers ineligible for social insurance.
2. Make a plan to provide all workers with government-mandated insurance, as well as commercial work-related injury insurance for workers ineligible for social insurance by the end of 2017.
3. Base contributions for social insurance on workers' actual wages.

Planned completion date

02/10/17

Company Action Plan Update

receipt of social insurance provided

Action Plan no 2.

Description

1. Explore ways the factory can increase social insurance contributions based on a worker's average monthly wage of the previous year.
2. Build this into the factory pay structure before the end of 2017.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "Current social insurance contribution conform to local insurance requirement and kept trying to upgrading the insurance base. Do annually review of the insurance base. 目前工厂为工人缴纳社保的基数符合当地社保缴纳要求，另外每年的社保基数调整都是需经过每位员工的签字确认，统一递交当地社保局，审批后才能执行下一年度的缴费周期"

Action Plan no 3.

Description

1. As above, explore ways the factory build payments into the Housing Provident Fund as part of the pay structure.
2. Enroll all workers into the legally required Housing Provident Fund before the end of 2017.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "Housing provident fund is not within the obligatory insurance in factory located area. Seeking possible margin and dis. with workers to make it happen. 目前公积金在工厂所处的地区没有执行强制缴纳项目."

Action Plan no 4.

Description

1. Provide or pay out unused annual leave to resigned workers.
2. Establish a system so that when workers resign, the factory pays them at the time for any and all unused annual leave.

Planned completion date

02/10/17

Company Action Plan Update

photos of annual leave policy provided and factory stated: "Creat supplementary terms of annual leave regulations, stating clearly that workers will be paid with the last month wages for unused annual leave when resigned. The supplementary terms announced in the bulletin board and broasted in work place. 1.工厂已于2016.11.14通过员工代表审议通过并订立带薪年假的管理补充规定，其中明确提到辞职人员的如何享受及如何结算支付；2.本规定已张贴到工厂的公告栏中便于员工获取，并对员工进行公开宣讲。"

Action Plan no 5.

Description

3. Enhance training and worker communication on the sick leave policy so that workers are aware of their benefits.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "1. Factory listed the leagal benefits in sick leave policy. 2. Include the related policy in the induction training 3. Announce the leagal benefits to workers. 1.工厂在休假管理规定中有关于病假的福利政策及如何出具病假证明的要求；2.员工在入职培训中会获取到相关的政策规定；3.工厂会加强关于病假规定对员工的福利宣讲"

FINDING NO.7

UNCORROBORATED RISK OF NON-COMPLIANCE

FINDING TYPE: Hours of Work

Finding Explanation

The working-hours records were possibly inauthentic as wages are calculated based on inaccurate working hours. Therefore, assessors could not draw conclusions on factory compliance for wages and working hours. Onsite observation and testing found that one out of three sampled workers could not access the fingerprinting time record system (it did not recognize her fingerprint) and about 80% of workers did not use the fingerprinting time record system during lunch break. This is contrary to the provided records which show all workers using the fingerprinting machine to record their attendance during the lunch break. Furthermore, the factory only provided two sampled workers' time records for the past 12 months; the time records of the other workers were not provided for assessors' review. Factory management stated that the administrator for the time record was not available during the assessment time and the other management staff did not have the authority to access the system.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23; Compensation Benchmarks C.15 and C.16)

Recommendations for Immediate Action

Maintain accurate and authentic working hours and payroll records. Ensure that all records are available to assessors upon request.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Maintain accurate and authentic working hours and payroll records.

2. Provide a copy of working-hours records to the assessor prior to any audit.
3. Ensure that the time record administrator is available and on site for the audit.
4. Ensure that all records are available to assessors upon request during an audit.

Planned completion date

02/10/17

Company Action Plan Update

record of working hours provided.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

It was noted that the factory had obtained a written approval for adopting a Comprehensive Working Hours System, valid from April 18, 2015 to April 17, 2016. The total working hours for two sampled workers during this period were 2,688 and 2,706 hours, both exceeding the written approval's limit of 2,424 hours. Due to inaccurate and inauthentic time record system found, the actual working hours could not be verified.

Update: The factory obtained another written approval for adopting a Comprehensive Working Hours System, valid from April 18, 2016 to April 17, 2017. The total working hours for the two sampled workers from April 18, 2016 to November 14, 2016 were within the written approval's limit of 2,432 hours.

Local Law or Code Requirement

The Instruction on the Implementation of the China Labor Law, Article 65; FLA Workplace Code (Hours of Work Benchmark HOW.1)

Recommendations for Immediate Action

Ensure workers' working hours do not exceed the Comprehensive Working Hour System limit.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Establish a plan to correctly monitor and maintain accurate working hours of workers.
2. Identify those workers whose hours consistently exceed the working hour system.
3. Provide training to line supervisors to ensure that workers comply with start and end time of their shifts in keeping with factory policy and not exceeding working hour system.
4. Report back on how the factory has taken steps to proactively address the excessive hours worked within the factory by year end 2017.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "Keep working on decreasing the OT time.工厂加强精益生产管理，改善并提高生产设备，逐步提升生产效率为目标，以满足员工正常休息的基础上合理控制加班时数."

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

The factory is missing all management functions on Retrenchment, including Policy & Procedure, Training, Implementation, Review Process, and Communications & Worker Involvement.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Assign a factory manager responsible for Retrenchment.
2. Assign that person responsibility for creating Policy & Procedures around retrenchment in keeping with local laws and best practice.
3. Assign that person responsibility for providing training to relevant staff including HR, Line Supervisors and other management.
4. Assign that person responsibility for Implementation and review of this process
5. Assign that person responsibility for communicating with workers and creating opportunities, platforms and mediums for workers to be involved in this process and provide input and feedback to management.

Planned completion date

02/10/17

Company Action Plan Update

Highrock states "team take the responsibility of management functions such as policy, procedure, training etc. " management function structure provided. Hill: 天石休闲组织架构图-20170816 - 天源

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. Management did not provide any office space or other facilities for worker representatives to meet.
2. FLA Comments: 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 Benchmarks FOA.2 and FOA.15)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Provide office space or other facilities for worker representatives to meet.

Planned completion date

02/10/17

Company Action Plan Update

photos of office provided.

Action Plan no 2.

Description

Explore ways to incorporate and apply these provisions within the factory and worker voice.

Hold regular meetings between management and worker representatives.

Assign responsibility to workers representatives to act as a voice for their peers and to in turn convey management's feedback to the workers.

Planned completion date

02/10/17

Company Action Plan Update

evidence of Freedom of Association policy provided and factory stated: "Factory to build up compliant procedure and Highrock FLA team do random snap check. 天石帮助并知道工厂建立员工申诉机制，并按月去抽查问题反馈和解决的情况。"

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Workers do not receive a copy of the workplace rules during orientation or written documentation that substantiates all the issues covered in orientation.

2. The disciplinary procedures do not include the workers' right to have a third party witness present during imposition of the disciplinary action.

3. The records of disciplinary actions are maintained in a centralized file but not in workers' personnel files.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2, ER.15 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Create a written copy of workplace rules.

2. Assign responsibility to manager or HR staff member for providing such handbook to workers upon their hiring and induction.

3. Confirm this by making it part of their performance review.

4. The manager / HR person responsible to keep a written record in the workers record that such handbook has been provided.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "Factory post updated rules and regulations on bulletin board. Place hard copies free taken. 工厂在公告栏张贴工厂的最新规章制度，并在公告栏处放置便于员工获取的文件获取架。每次投放的份数不少于在职员工人数。"

Action Plan no 2.

Description

Correct the disciplinary procedures to ensure that workers have the right to have a third party witness present during imposition of the disciplinary action.

Communicate these changes and train workers on the updated procedures.

Planned completion date

02/10/17

Company Action Plan Update

evidence of updated disciplinary procedure provided.

Action Plan no 3.

Description

Assign responsibility to a manager or other HR staff member who is to ensure that records of disciplinary actions are maintained in a centralized file as well as in workers' personnel files.

Build this into their performance review to ensure this is happening.

Planned completion date

02/10/17

Company Action Plan Update

factory stated: "Discuss with workers to reach agreement regarding maintain the disciplinary actions in personnel files. 工厂独立存放纪律处分文件是在征得员工代表同意，工人不接受将记录存放于人事档案中，建议集中存放在独立文件档案中。"

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have the Environmental Protection Final Acceptance Check Report for their completed construction project. Additionally, the factory has not updated its Environmental Impact Report and Approval to reflect the factory name change which occurred in June 2013. The related approval is still under the previous name and was issued by the local environmental protection department in October 2006.
2. The factory does not have any formal, written policies or procedures on Environmental Protection.
3. The factory does not have a statement of factory management's general support of energy and water efficiency or a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.
4. The factory does not have a procedure to manage the factory's environmental impact to its surroundings nor does it identify whether its on-site operations generate any negative environmental impacts. Therefore, the factory is not making an effort to reduce its environmental impact.

Local Law or Code Requirement

The China Environmental Impact Assessment Law, Article 16; the Measures for Administration of Environmental Protection Acceptance Check upon Completion of Construction Project, Article 17; FLA Workforce Code (Health, Safety & Environmental Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1 and HSE.4)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Obtain the Environmental Protection Final Acceptance Check Report for their completed construction project. Update its Environmental Impact Report and Approval to reflect the factory name change which occurred in June 2013.

Planned completion date

02/10/17

Company Action Plan Update

Environmental Impact Report and Approval in progress

Action Plan no 2.

Description

Create a formal, written policy and procedures on Environmental Protection.

Planned completion date

02/10/17

Company Action Plan Update

environmental policy provided. Factory stated that "Arrange environment protection training. Add in annual training plan.通过宣传培训并提高工厂在环保方面的管理意识，并规范到年度培训计划中".

Action Plan no 3.

Description

Create and issue a statement of the factory management's general support of energy and water efficiency and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.

Planned completion date

02/10/17

Company Action Plan Update
environment policy provided.

Action Plan no 4.

Description

Create a procedure to manage the factory's environmental impact to its surroundings and identify whether its on-site operations generate any negative environmental impacts.
Train staff members responsible for environmental protection and have assigned HR or manager conduct periodic reviews.

Planned completion date

02/10/17

Company Action Plan Update

environmental policy provided. Factory stated that "No harmful substance emission cause by production. Household disposal comply with rules & regulations.工厂的生产环节没有产生对周边环境造成影响的危害物排放，生活垃圾由符合资质的垃圾处理机构进行集中处理及生活废水排放到独立管网进行进行处理".

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The fire alarm system does not have a backup battery.
2. Seven fire extinguishers (about 10%) in the office building are placed directly on the ground, instead of mounted as required.
3. Two fire alarm buttons are partially blocked by production materials, one each in the warehouse and sewing workshop.
4. Two out of the four emergency exits in the sewing workshop are locked during working hours. The workshop is approximately 1360.38 square meters and has 120 workers.
5. The evacuation passages for about 5% of the sewing workers are completely blocked by production materials.
6. The factory's emergency evacuation plan is incomplete as the location of first aid kits are not shown on the plan.
7. The emergency alarm is not inspected or tested regularly.
8. The fire brigade does not have the appropriate personal protective equipment (PPE) to fight fires (such as a breathing apparatus).

Local Law or Code Requirement

The Code for Design of Extinguisher Distribution in Buildings (GB 50140-2005), Article 5.1.3; the China Fire Prevention Law, Article 28; The China Fire Prevention Law, Article 16 (4); Escape and Evacuation—Principles and Requirements (GB/T 25894-2010), Article 7.3; FLA Workforce Code (Health, Safety & Environmental Benchmarks HSE.5 and HSE.6)

Recommendations for Immediate Action

1. Install a backup battery on the fire alarm system in the factory.
2. Mount fire extinguishers in the right position (between 0.08 - 1.5 meters) or install fire extinguishers in extinguisher boxes, as per legal requirements.
3. Move materials away from the fire alarm buttons and evacuation passages and keep them free of obstructions. Regularly monitor for compliance.
4. Ensure that all emergency exits remain unlocked during working hours.
5. Mark the location of fire alarms on the emergency plan maps.
6. Provide the fire brigade with the necessary PPE and train them on its use.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Assign at least 2 people in management or HR who are responsible for ensuring that the factory creates a policy on fire safety procedures.
2. Assign these staff to provide regular training on fire safety (minimum every 6 months) to workers and management.
3. Assign these staff to provide monthly internal monitoring system of all Health and Safety issues including fire systems.
4. Assign these staff to create a tool or checklist to follow and to complete this every month.
5. Install a backup battery on the fire alarm system in the factory.

Planned completion date

02/10/17

Company Action Plan Update

photo of back up battery provided.

Action Plan no 2.

Description

2. Mount fire extinguishers in the right position (between 0.08 - 1.5 meters) or install fire extinguishers in extinguisher boxes, as per legal requirements.

Planned completion date

02/10/17

Company Action Plan Update

photo of extinguisher provided. Factory stated that "Extinguishers and extinguisher boxes installed as per legal requirement Noc. 24, 2016. 已于2016.11.24完成生产车架灭火器材箱的购置与安装，配备符合消防存放要求的设施"

Action Plan no 3.

Description

3. Move materials away from the fire alarm buttons and evacuation passages and keep them free of obstructions. Regularly monitor for compliance.

Planned completion date

02/10/17

Company Action Plan Update

photo of cleared area provide. Factory stated that "Monitors of each line be responsible for the semi-finished products' stacking. No stacking at alarm area. 规范员工对半成品的堆放地点，规划消防设施区域，班组长负责各自生产区域生产半成品占压堆放的管理".

Action Plan no 4.

Description

1. Assign at least 2 people in management or HR who are responsible for ensuring that the factory creates a policy on fire safety procedures.
2. Assign these staff to provide regular training on fire safety (minimum every 6 months) to workers and management.
3. Assign these staff to provide monthly internal monitoring system of all Health and Safety issues including fire systems.
4. Assign these staff to create a tool or checklist to follow and to complete this every month.
5. Ensure that all emergency exits remain unlocked during working hours.

Planned completion date

02/10/17

Company Action Plan Update

photo of exits provided. Factory stated that "Emergency exits remain unlcked during working hour. 生产时间紧急出口门保持常开"

Action Plan no 5.

Description

1. Assign at least 2 people in management or HR who are responsible for ensuring that the factory creates a policy on fire safety procedures.
2. Assign these staff to provide regular training on fire safety (minimum every 6 months) to workers and management.
3. Assign these staff to provide monthly internal monitoring system of all Health and Safety issues including fire systems.
4. Assign these staff to create a tool or checklist to follow and to complete this every month.
5. Ensure all evacuation passages of the sewing workers are completely unblocked by production materials.

Planned completion date

02/10/17

Company Action Plan Update

photo of cleared passages provided. Factory stated that "Monitors of each line be responsible for semi-finished products stacking. No stacking at path way. Provide necessary removable stacking facility. 班组长负责各自生产区域员工工作台前疏散出口的管理，为其提供可移动的半成品存放车"

Action Plan no 6.

Description

1. Assign at least 2 people in management or HR who are responsible for ensuring that the factory creates a policy on fire safety procedures.
2. Assign these staff to provide regular training on fire safety (minimum every 6 months) to workers and management.
3. Assign these staff to provide monthly internal monitoring system of all Health and Safety issues including fire systems.
4. Assign these staff to create a tool or checklist to follow and to complete this every month.
5. Mark the location of fire alarms on the emergency plan maps.

Planned completion date

02/10/17

Company Action Plan Update

updated the plan provided.

Action Plan no 7.

Description

1. Assign at least 2 people in management or HR who are responsible for ensuring that the factory creates a policy on fire safety procedures.
2. Assign these staff to provide regular training on fire safety (minimum every 6 months) to workers and management.
3. Assign these staff to provide monthly internal monitoring system of all Health and Safety issues including fire systems.
4. Assign these staff to create a tool or checklist to follow and to complete this every month.
5. Inspect and test the emergency alarm regularly.

Planned completion date

02/10/17

Company Action Plan Update

photo of checklist provided. Factory stated that "Test and inspect emergency alarm monthly and set up separate check list.将消防警铃作为独立的检查项目每月检查，并制定单独的检查记录表单"

Action Plan no 8.

Description

1. Assign at least 2 people in management or HR who are responsible for ensuring that the factory creates a policy on fire safety procedures.
2. Assign these staff to provide regular training on fire safety (minimum every 6 months) to workers and management.
3. Assign these staff to provide monthly internal monitoring system of all Health and Safety issues including fire systems.
4. Assign these staff to create a tool or checklist to follow and to complete this every month.
5. Provide the fire brigade with the necessary PPE and train them on its use.

Planned completion date

02/10/17

Company Action Plan Update

photo evidence provided. Factory stated that "PPE provided and arrange training in annually fire-drill. 在之前的检查项目中对其没有明确的要求，工厂已购置符合标准数量的防护设施,年度消防演习培训"

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not installed needle guards on any of the sewing machines. The pulley guards for two sewing machines are missing. Additionally, all three high-speed sewing machines are missing eye-protection guards.
2. The factory has not obtained the Report on Inspection and Acceptance of Completed Construction Project for any the four main factory buildings (built in 2007) or for the temporary building that is situated between production Buildings 1 and 2 (built in 2014 and are approximately 807.5 square meters).
3. The factory was established in December 2007 as a garment producer. There are no major hazardous sources in the factory. However, the factory did not obtain an Assessment of Current Condition of Occupational Disease Hazards, as legally required.
4. The toilets in the factory are not clean or sanitized.
5. While the factory has established a written lockout-tagout (LOTO) policy and procedures, it has not created a list of equipment and machines that require the LOTO procedure, and therefore has not implemented LOTO in the factory.
6. The factory does not track any illnesses.

Local Law or Code Requirement

Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6; the Construction Law of the People's Republic of China, Article 61; Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 18; FLA Workforce Code (Health, Safety & Environmental Benchmarks HSE.1; HSE.3, HSE.4, HSE.14, and HSE.19)

Recommendations for Immediate Action

1. Install proper guards – including needle guards, pulley guards and eye-protection shields – on all sewing machines.
2. Keep the toilets clean and sanitized.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Install proper guards – including needle guards, pulley guards and eye-protection shields – on all sewing machines.
2. Provide training to relative workers to ensure this does not reoccur.

Planned completion date

02/10/17

Company Action Plan Update

photo evidence provided.

Action Plan no 2.

Description

Communicate with the relevant local officials or local Government Department and obtain the Report on Inspection and Acceptance of Completed Construction Project for the four main factory buildings (built in 2007) and for the temporary building that is situated between production Buildings 1 and 2 (built in 2014).

Planned completion date

02/10/17

Company Action Plan Update

inspection reports provided.

Action Plan no 3.

Description

Communicate with the relevant local officials or Government department and obtain an assessment of the current conditions of Occupational Disease Hazards, as legally required.

Planned completion date

02/10/17

Company Action Plan Update

Assessment of Current Condition of Occupational Disease Hazards in progress

Action Plan no 4.

Description

Assign responsibility for a staff member, HR or manager to Keep the toilets clean and sanitized.

Their KPI is to

- create a maintenance and checklist procedure for cleaning toilets
- Train cleaners
- Periodic daily spot check by relevant HR person or management on toilet conditions.
- Measure performance of cleaners
- Provide reminders to workers of proper use of toilets using bulletin boards and visuals)

Planned completion date

02/10/17

Company Action Plan Update

toilet checklist provided.

Action Plan no 5.

Description

Create a list of equipment and machines that require the LOTO procedure, and implement LOTO in the factory.
Train the relevant staff and assign responsibility to a staff member for ongoing training and refresher courses.

Planned completion date

02/10/17

Company Action Plan Update

training content and attendance provided.

Action Plan no 6.

Description

Assign HR person to create a procedure to track all illnesses of workers and staff.
Include in their KPIs the responsibility for maintaining daily records of staff illnesses.

Planned completion date

02/10/17

Company Action Plan Update

procedure provided.

FINDING NO.15

NOTABLE FEATURE

FINDING TYPE: Health & Safety

Finding Explanation

The factory has installed air conditioners in the workshops.