



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Kathmandu  
COUNTRY: China  
ASSESSMENT DATE: 11/15/16  
ASSESSOR: Openview  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 730

## 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 provided to new workers does not cover Industrial Relations. Furthermore, the factory does not provide workers with written documentation that substantiates all the issues covered during orientation training.
2. The factory does not provide specific training to supervisors on Environmental Protection.
3. The factory does not provide ongoing training to workers on the following Employment Functions, or that training is ineffective as workers' awareness of them is low: Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, and ER.17; Compensation Benchmark C.17)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

###### Description

###### Immediate Action (IA)

1. Appoint Person Responsible for Training;
2. Develop training materials for workers on industrial relations
3. Ensure that all new workers are provided with a written copy of such documentation that addresses industrial relations during orientation training.

###### Sustainable Improvement (SI)

1. Train HR and related personnel responsible for training for new employees.
2. Create a Training Policy, Training Outline and Course Content that addresses industrial relations during worker orientation.
3. Include in worker handbook.
4. Include these changes in worker orientation and on going trainings.
5. Create system to monitor regular performance reviews.
6. Monitor implementation.

###### Planned completion date

04/14/17

###### Company Action Plan Update

Supplier response + training records + new worker training test provided.

## Action Plan no 2.

### Description

IA

1. Appoint Person Responsible for Training.
2. Develop training materials for supervisors on environmental protection.
3. Ensure that such training is provided.
4. Answer any 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 specific training to supervisors on Environmental Protection.
3. Include training on environmental protection for managers and supervisors upon appointment and/or promotion.
4. Create system to monitor and record such training.
5. Monitor implementation.

### Planned completion date

04/14/17

### Company Action Plan Update

Supplier response + training records provided.

## Action Plan no 3.

### Description

IA

1. Appoint Person Responsible for Training.
2. Develop training materials for workers on 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 the following 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

04/14/17

### Company Action Plan Update

Supplier response + training records provided.

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

The factory does not communicate its policies and procedures on Termination & Retrenchment or their updates to the general workforce. Furthermore, the communication process on the following Employment Functions is not adequate: Recruitment, Hiring & Personnel Development, Compensation; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environment Protection.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.27, ER.29, and ER.30; Compensation Benchmark C.17)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

2.1

Details

IA

1. Utilise the HR department or appoint a person responsible for HR functions.
2. Create a policy and best practice that works for the factory, to communicate its policies and procedures on Termination & Retrenchment and updates to the general workforce.
3. Establish a communication policy and methodology and put it into practice, to specifically address and better communicate the following Employment Functions is not adequate: Recruitment, Hiring & Personnel Development, Compensation; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environment Protection.
4. Answer any questions.

SI

1. Train HR and related personnel on these new policies.
2. Include policies during worker orientation and trainings.
3. Include policies in worker handbook.

#### Planned completion date

04/14/17

#### Company Action Plan Update

Supplier response + termination & retrenchment policy provided.

## FINDING NO.3

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Review Process (Macro)

#### Finding Explanation

The factory does not periodically review its policies and procedures on the following Employment Functions or ensure they are updated according to local law and the FLA Workplace Code and Benchmarks: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; and Environmental Protection.

#### 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

IA

1. Add to the list of responsibilities that the HR department has (or appoint the relevant person) that they periodically review its policies and procedures on the following Employment Functions;
2. Create a methodology that works for the factory and the HR department to ensure policies and procedures are reviewed and updated according to local law and the FLA Workplace Code and Benchmarks: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; and Environmental Protection.
3. Implement and monitor.

SI

1. Train HR and related personnel on periodically reviewing and updating these policies and procedures.
2. Communicate these updates to workers and post on bulletin boards.
3. Include updates in worker trainings.
4. Include updates in worker handbook.
5. Create system to monitor implementation.

#### Planned completion date

04/14/17

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. The factory does not have written policies and procedures on Personnel Development.
2. The factory does not conduct regular performance reviews for any workers, including new workers on their probation period.
3. There are no job descriptions for production positions.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, ER.29, and ER.30)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. Create written policies and procedures outlining process for Personnel Development.
2. Review all employment contracts and identify all workers who have not had Personnel Development.
3. Provide all employees with education on Personnel Development and respond to questions.

SI

1. Train HR and related personnel on Personnel Development.
2. Communicate with workers and post on bulleting boards.
3. Include in worker orientation and trainings.
4. Include in worker handbook.
5. Create system to monitor implementation.

##### Planned completion date

04/14/17

##### Company Action Plan Update

personnel development policy provided.

#### Action Plan no 2.

##### Description

IA

1. Create written policies and procedures outlining process for performance reviews.
2. Review all employment contracts and identify all workers who have not had a performance review including new workers.
3. Provide all employees with education on the performance review policies and procedures and respond to questions.
4. Include in policy and procedures a review of the performance of new workers during their probationary period.

SI

1. Train HR and related personnel on changes
2. Include in worker handbook.
3. Include changes on worker orientation and trainings.
4. Create system to monitor regular performance reviews
5. Monitor implementation

##### Planned completion date

04/14/17

##### Company Action Plan Update

performance review provided.

#### Action Plan no 3.

##### Description

IA

1. Review all current job descriptions for production positions.
2. Appoint HR or relevant person to write job descriptions for all (100%) positions
3. Provide education to workers on their job descriptions, the legal requirements, any changes or benefits and respond to questions.
4. Sign all workers with open ended job descriptions

SI

1. Train HR and related personnel on changes
2. Communicate with workers and post on bulletin boards and include on worker orientation, trainings and employee handbooks.
3. Create system to monitor amendments or changes to all job descriptions
4. Monitor implementation

Planned completion date

04/14/17

Company Action Plan Update

Job description provided.

## FINDING NO.5

### IMMEDIATE ACTION REQUIRED

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

##### Finding Explanation

1. The factory does not sign open-ended employment contracts with workers who have signed short-term (two year) employment contracts twice consecutively.
2. The factory does not have a policy on the Hiring of disabled workers. As a result, 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. The factory does not contribute to the Employment Security Fund, either.

##### Local Law or Code Requirement

China Labor Contract Law, Article 14; Regulation on the Employment of the Disabled (2007), Articles 8 and 9; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.10; Non-Discrimination Benchmarks ND.1, ND.2, and ND.9)

##### Recommendations for Immediate Action

1. Sign open-ended employment contracts with workers who have signed employment contracts twice consecutively.
2. Hire the legally required number of disabled workers.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

IA

1. Appoint HR or relevant person to review contracts.
2. Review all current job descriptions and two year consecutive contracts
3. Provide education to workers on their employment contracts, the legal requirements, any changes or benefits and respond to questions.
4. Sign all relevant workers with open ended contracts

SI

1. Train HR and related personnel on changes to two year open contracts
2. Communicate with workers and post on bulletin boards and include on worker orientation, trainings and employee handbooks.
3. Create system to monitor amendments or changes to these relevant contracts.
4. Monitor implementation

Planned completion date

04/14/17

Company Action Plan Update

training record + sick leave record provided.

## Action Plan no 2.

### Description

IA

1. Review current factory practice and legal requirements.
2. Identify discrepancies, and reason for the discrepancies.
3. Calculate correct amount for contribution to Employment Security Fund
4. Plan implementation of corrected contributions
5. Implement corrected contribution payments and proactively look for roles where disabled workers could be gainfully employed

SI

1. Train HR and related personnel on changes
2. Communicate with workers and post on bulletin boards and include on worker orientation, trainings and employee handbooks.
3. Create system to monitor amendments or changes to all job descriptions
4. Monitor implementation

### Planned completion date

04/14/17

### Company Action Plan Update

factory states that "Clear responsibility to check monthly purchases of housing accumulation fund, continuous improvement to ensure that meet the requirements of the purchase".

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

#### Finding Explanation

1. The factory arranges for workers to take their annual leave around the Chinese New Year in February without their consent.
2. Management interviews and a review of three resigned workers' termination payouts confirmed that the factory does not arrange for workers who resign before the Chinese New Year to use up their annual leave before leaving the factory, nor do they include unused annual leave payments in resigned workers' termination payouts. About 90% of the 30 workers interviewed were unaware of this legal requirement.
3. Based on a review of social insurance payments from October 2015 to October 2016 and interviews with management and workers, assessors noted that the factory does not provide workers with sufficient social insurance. For example, in October 2016, only 110 out of all 282 eligible employees (39%) were provided with work-related injury insurance, and 95 out of 282 eligible employees (33.7%) were covered by medical, maternity, pension and unemployment insurance. The factory provided supplementary commercial accidental insurance to 243 employees, valid from September 8, 2016 to September 7, 2017 with a maximum benefit amount of RMB 150,000 (USD 21,898) per employee.
4. The factory's contribution base for pension, unemployment, and work-related injury insurance is not in line with legal requirements. The contribution should be based on an employee's actual average monthly wage over the last 12 months, about CNY 2,600 to CNY 7,000 (USD 379.6 to ~ USD 1,021.9) per month. However, the factory only contributes to these three types of insurances based on CNY 1,895 to 4,500 (USD 276.6 to USD 656.9) per month.

#### Local Law or Code Requirement

The Regulations on Annual Leave for Employees, Article 2, 3 and 5; The Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the China Labor Law, Article 59; China Labor Law, Articles 72 and 73; Social Insurance Law of the PRC, Article 12 and 58; FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1 and C.10; Hours of Work Benchmarks HOW.1, HOW.11, HOW.12, and HOW.13)

#### Recommendations for Immediate Action

1. Cease the practice of arranging workers' annual leave dates without their input. Allow workers to decide when to take their annual leave.
2. Provide workers who are resigning their annual leave days before they leave the factory, or compensate them for their unused annual leave as part of their termination payouts.
3. Provide all workers with all five legally required forms of social insurance.
4. Base social insurance contributions on workers' actual wages.

## COMPANY ACTION PLANS

## Action Plan no 1.

### Description

#### IA

1. Review current factory practice and legal requirements regarding arranging for workers to take annual leave at Chinese New Year without their consent.
2. Identify reason why this is happening.
3. Plan for workers to apply for annual leave at Chinese New Year.
4. Include in annual leave policy that leave must be applied for and consented to by the worker.
5. Provide all employees with education on this change to annual leave and respond to questions.

#### SI

1. Train HR and related personnel on changes to annual leave for workers
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training.
3. Implement corrected procedures.
4. Monitor implementation.

### Planned completion date

04/14/17

## Action Plan no 2.

### Description

#### IA

1. Review current factory practice and legal requirements regarding payout of unused annual leave to resigned employees
2. Identify discrepancies, and reason for the discrepancies.
3. Measure % discrepancy for payout of unused annual leave to resigned employees and calculate correct amount for contribution.
4. Plan implementation of corrected contributions including communication of this to workers.
5. Implement corrected contributions including retroactively compensating any resigned workers who were not paid their unused annual leave.

#### SI

1. Train HR and related personnel on payouts of unused annual leave to resigned employees
2. Communicate this legal requirement with workers and post on bulletin boards, include in worker handbook, orientation and trainings.
3. Create system to monitor complete, timely and accurate payouts of unused annual leave to resigned employees
4. Monitor implementation

### Planned completion date

04/14/17

### Company Action Plan Update

retrenchment policy provided showing teaching.

## Action Plan no 3.

### Description

#### IA

1. Review current factory practice and legal requirements regarding social insurance.
2. Identify discrepancies, and reason for the discrepancies.
3. Measure % discrepancy for social insurance to all workers.
4. Calculate the correct amounts to comply with legal contributions.
5. Set a milestone (for example within 1 year) and set the target of implementing social insurance payments to 70% of all staff. Increase this amount yearly so that in one year Kathmandu can measure your progress.
6. Plan implementation of these corrected social insurance contributions and include worker communication in this process.

#### SI

1. Take advantage of Social Insurance webinars and training offered by Kathmandu and Carnstone for factories within our supply chain.
2. Train HR and related personnel on social insurance changes and how to implement the Kathmandu / Carnstone Social Insurance education roll out within the factory.
3. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the education materials available and encourage workers to use WeChat to participate in the education and training.
4. Create system to monitor the increase in % of workers paid social insurance per year.
5. Ensure Social Insurance payments for workers are timely and accurate.
6. Implement corrected contributions.
7. Monitor implementation



Planned completion date

04/14/17

Company Action Plan Update

factory states that "Factory actively promoted and promote social insurance policy to employees, buy social insurance personnel responsible for the factory in the aspect of social insurance payment of contribution is in accordance with best practice and legal requirements".

Action Plan no 4.

Description

IA

1. Review current factory practice and legal requirements regarding social insurance.
2. Identify discrepancies, and reason for the discrepancies.
3. Measure % discrepancy for social insurance
4. Calculate the correct amounts to comply with legal contributions.
5. Set a milestone (for example within 1 year) and set the target of implementing 5% increase yearly so that in one year Kathmandu can measure your progress.
6. Plan implementation of these corrected social insurance contributions and include worker communication in this process.

SI

1. Take advantage of Social Insurance webinars and training offered by Kathmandu and Carnstone for factories within our supply chain.
2. Train HR and related personnel on social insurance changes and how to implement the Kathmandu / Carnstone Social Insurance roll out within the factory.
3. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the education materials available and encourage workers to use WeChat to participate in the education and training.
4. Create system to monitor the annual 5% increase in social insurance per year.
5. Ensure Social Insurance payments for workers are timely and accurate.
6. Implement corrected contributions.
7. Monitor implementation

Planned completion date

04/14/17

Company Action Plan Update

factory states that "To check on the base of social security contributions to ensure the purchase of social endowment insurance in accordance with the law requires".

## FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Compensation

Finding Explanation

1. Although the factory has a policy and procedures on sick leave, about 90% of the 30 interviewed workers were unaware of this legal benefit. There were no records showing workers taking sick leave.
2. The factory only contributes to the Housing Provident Fund for 89 out of all 282 eligible employees (31.6%).
3. The factory's contribution base for the Housing Provident Fund is not in line with legal requirements. The contribution should be based on an employee's actual average monthly wage over the last year, about CNY 2,600 to CNY 7,000 (USD 379.6 to ~ USD 1021.9). However, the factory only contributes to the Housing Provident Fund based on CNY 1,895 to CNY 5,500 (USD 276.6 to USD 802.9) per month.

Local Law or Code Requirement

Regulations on Management of Housing Provident Fund, Articles 2, 3, and 15; FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1, C.10, and C.17)

### COMPANY ACTION PLANS

Action Plan no 1.

Description

IA

- 1 Review law relating to sick leave.
- 2 Provide education on the law to all employees regarding sick leave.
- 3 Provide sick leave for sick employees as legally required.

SI

1. Train HR and related personnel on sick leave.
2. Communicate this legal requirement with workers and post on bulletin boards, include in worker handbook, orientation and trainings.
3. Create system to monitor sick employees and offer assistance as appropriate.
4. Monitor implementation

Planned completion date

04/14/17

Company Action Plan Update

training record + sick leave record provided.

## Action Plan no 2.

Description

IA

1. Review current factory practice and legal requirements regarding Housing Provident Fund for all workers
2. Identify discrepancies, and reason for the discrepancies for all workers.
3. Calculate the correct amounts to comply with legal contributions to all workers.
4. Set a milestone (for example within 1 year) and set the target of implementing 5% increase yearly so that in one year Kathmandu can measure your progress.
5. Plan implementation of these corrected contributions and include worker communication in this process.

SI

1. Train HR and related personnel on Housing Provident Fund for all workers
2. Communicate with all workers and post on bulletin boards, include in worker handbook, orientation and training as to the annual 5% increase per year.
3. Create system to monitor the increases and ensure Housing Provident Fund to all.
4. Implement corrected contributions to all workers.
5. Monitor implementation

Planned completion date

04/14/17

Company Action Plan Update

factory states that "Clear responsibility to check monthly purchases of housing accumulation fund, continuous improvement to ensure that meet the requirements of the purchase".

## Action Plan no 3.

Description

IA

1. Review current factory practice and legal requirements regarding Housing Provident Fund for workers
2. Identify discrepancies, and reason for the discrepancies.
3. Measure % discrepancy for Housing Provident Fund for workers
4. Calculate the correct amounts to comply with legal contributions.
5. Set a milestone (for example within 1 year) and set the target of implementing 5% increase yearly so that in one year Kathmandu can measure your progress.
6. Plan implementation of these corrected contributions and include worker communication in this process.

SI

1. Train HR and related personnel on Housing Provident Fund for workers
2. Communicate with workers and post on bulletin boards, include in worker handbook, orientation and training as to the annual 5% increase per year.
3. Create system to monitor the increases and ensure Housing Provident Fund for workers are timely and accurate.
4. Implement corrected contributions.
5. Monitor implementation

Planned completion date

04/14/17

Company Action Plan Update

factory states that "Clear responsibility to check monthly purchases of housing accumulation fund, continuous improvement to

ensure that meet the requirements of the purchase".

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. Based on a review of time records from October 2015 to October 2016, assessors noted that about 90% of workers' monthly overtime exceeded 36 hours each month, with the exception of February 2016, with a maximum of up to 76 hours in April 2016.
2. The factory production plan always includes overtime (e.g. planning with nearly 60 working hours per week (40 regular hours + 20 overtime hours) as a general practice).

##### Local Law or Code Requirement

China Labor Law, Article 41; FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.8)

##### Recommendations for Immediate Action

1. Monitor working hours to ensure that workers do not work more than 36 hours of overtime per month.
2. Ensure that the production plan does not include overtime.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

8.1

Details

IA

1. Review factory production planning process and validate Overtime inclusion on planning.
2. Perform root-cause analysis to determine why the need to include Overtime on planning.
3. Create short-term (1-6 months) action plan and medium-term (6-12 months) action plans to address issues on man/machines/methods/materials
4. Implement/Monitor and measure progress of action plans

SI

1. Review policy and procedures on production planning and control and identify gaps
2. Align production planning and control with industry best practices, responsible purchasing practices, and results of root-cause analysis.
3. Train related personnel on changes on PPC policy and procedures
4. Create a system to monitor efficiency of production plan as against actual production, including working hours/overtime
5. Monitor implementation and progress

##### Planned completion date

04/14/17

##### Company Action Plan Update

Hours of Work attendance records provided.

#### Action Plan no 2.

##### Description

IA

1. Appoint a Manager to review factory production planning process and validate Overtime inclusion on planning.
2. Perform root-cause analysis to determine why the need to include Overtime on planning.
3. Create a roster and planning schedule that will meet production deadlines without the need for constant overtime.
4. Implement/Monitor and measure progress of action plans.

SI

1. Review policy and procedures on production planning and control and identify gaps
2. Align production planning and control with industry best practices, responsible purchasing practices, and results of root-cause analysis.
3. Train related personnel on changes on PPC policy and procedures

4. Create a system to monitor efficiency of production plan as against actual production, including working hours/overtime
5. Monitor implementation and progress

Planned completion date

04/14/17

Company Action Plan Update

factory states that "Reasonable arrangement of production plan, simplify the work efficiency. The subsequent production gradually improve overtime working hours, production for production capacity to reduce overtime".

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

1. The factory does not have policies or procedures on Retrenchment.
2. The factory's Termination procedures do not provide guidance on how to calculate final payouts in accordance with legal requirements.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, and ER.32)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

IA

1. Appoint relevant HR person to write and implement factory policies and procedures on Retrenchment.
2. Develop appropriate policies related to Termination & Retrenchment.

SI

1. Train HR and related personnel on policies.
2. Include policies on worker orientation and trainings.
3. Include policies in worker handbook.

##### Planned completion date

04/14/17

Company Action Plan Update

retrenchment policy provided.

#### Action Plan no 2.

##### Description

IA

1. Appoint relevant HR person to write and implement factory policies and procedures on the factory's termination procedures.
2. Write and provide clear guidance on how to calculate final payouts in accordance with legal requirements.
3. Develop appropriate policies related to Termination & Retrenchment.

SI

1. Train HR and related personnel on said policies.
2. Include policies on worker orientation and trainings.
3. Include policies in worker handbook.

##### Planned completion date

04/14/17

Company Action Plan Update

retrenchment policy provided showing teaching.

## FINDING NO.10

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Industrial Relations

#### Finding Explanation

1. The union structure is not independent from management interference. The administration manager is the chairman of the union, and all members of the union committee are supervisors or office staff. Although the union committee members were voted on by workers' representatives, they were nominated by management, which does not constitute a free election. Local law also states that administrative managers are not eligible for the Chairman position.
2. The factory management did not sign a Collective Bargaining Agreement (CBA) with the union.
3. 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

Trade Union Law of the People's Republic of China, Article 20; Measures for the Formation of Enterprise Trade Union Chairman, Article 6; FLA Workplace Code (Employment Relationship Benchmark ER.26, Freedom of Association Benchmarks FOA.1, FOA.2, FOA.3, FOA.10, FOA.11, and FOA.17)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA

1. Conduct a review of union membership of workers as it relates to an independent union structure
2. Hold supportive dialogue and consultation with workers on union membership and freedom of association.
3. Provide space for communication between workers and union representatives.
4. Include some workers on the union committee
5. Have a free election of where union committee members are not nominated by management.
6. Ensure that the administrative manager is replaced at next election from Chairman position.

SI

1. Communicate to workers through bulletin boards, employee handbooks, new worker orientation and trainings.
2. Provide support for unions and workers representatives within the factory.
3. Management to consult with unions and worker representatives on key issues of importance to their members
4. Provide Trade Unions with an enhanced role in dispute resolution within the factory.

#### Planned completion date

04/14/17

#### Company Action Plan Update

an example of open-ended employment contract provided.

### Action Plan no 2.

#### Description

IA

1. Conduct a review union membership of workers.
2. Hold supportive dialogue and consultation with workers on union membership and freedom of association.
3. Provide space for communication between workers and union representatives
4. Appoint a factory manager and union representative to discuss and agree on a Collective Bargaining Agreement (CBA) that both sides can sign with confidence.

SI

1. Communicate Collective Bargaining Agreement to workers through bulletin boards, employee handbooks, new worker orientation and trainings.
2. Provide support for unions and workers representatives within the factory on implementation of Collective Bargaining Agreement.
3. Management to consult with unions and worker representatives on implementation of the Collective Bargaining Agreement.

Planned completion date

04/14/17

Company Action Plan Update

hiring of disabled workers policy provided.

Action Plan no 3.

Description

IA

1. Conduct a review union membership of workers.
2. Hold supportive dialogue and consultation with workers on union membership and freedom of association.
3. Provide space for communication between workers and union representatives.

SI

1. Communicate to workers through bulletin boards, employee handbooks, new worker orientation and trainings.
2. Provide support for unions and workers representatives within the factory.
3. Management to consult with unions and worker representatives on key issues of importance to their members
4. Provide Trade Unions with an enhanced role in dispute resolution within the factory.

Planned completion date

04/14/17

Company Action Plan Update

factory states that "After the new union election, on behalf of the committee will organize trade unions to represent the collective agreement with management work communication".

## FINDING NO.11

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The disciplinary system does not include the workers' right to have a third party witness present during imposition of the disciplinary action.
2. Records of disciplinary actions are not maintained in workers' personnel files.
3. Workers do not sign written records of disciplinary action taken against them.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.27)

### COMPANY ACTION PLANS

Action Plan no 1.

Description

IA:

1. Amend Workplace Conduct policies and procedures to include the workers' right to have a third party witness present during imposition of the disciplinary action.
2. Provide Education to Staff on changes in policy and procedure.

SI:

1. Train HR and related personnel on changes.
2. Communicate with workers and post on bulleting boards.
3. Include in worker orientation and trainings.
4. Include in worker handbook.
5. Create system to monitor implementation.

Planned completion date

04/14/17

Company Action Plan Update

amended leave policy provided.

Action Plan no 2.

Description

IA:

1. Review all workers' personnel files.
2. Identify workers who have had disciplinary action within the last 6 months.
3. Provide an entry or record of disciplinary action to each file and respond to questions.
4. Keep a record of all disciplinary actions inside workers files.

SI:

1. Review current disciplinary policy and procedures
2. Revise details on disciplinary actions within legal requirements.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor disciplinary actions workers

Planned completion date

04/14/17

Company Action Plan Update

factory states that "At present, the company has no violation of discipline, subsequent if there is a breach of discipline will keep the violation of discipline event in personnel files".

Action Plan no 3.

Description

IA:

1. Identify workers who have had disciplinary action within the last 6 months.
2. Provide an entry or record of disciplinary action to each file and respond to questions.
3. Ask all workers impacted to sign written records of the disciplinary actions.

SI:

1. Review current disciplinary policy and procedures
2. Revise details on disciplinary actions within legal requirements.
3. Train HR and related personnel on these changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor disciplinary actions workers

Planned completion date

04/14/17

Company Action Plan Update

disciplinary policy provided.

## FINDING NO.12

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

Finding Explanation

Management does not maintain grievance records. Interviews with workers and management revealed some grievances have occurred in the last year. These grievances were handled verbally or through meetings with employees, but no records were maintained and there was no evidence that the grievances were resolved.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.25)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

##### IA:

1. Review current worker grievances and the current formal grievance procedures and factory policy.
2. Rewrite the formal grievance procedure as it is currently written to ensure that workers are protected when they file a grievance against the factory.
3. Keep a record of all such grievances and document how they are resolved.

##### SI:

1. Review best practices for grievance policy and procedures
2. Revise details on grievance procedures within legal requirements.
3. Train HR and related personnel on changes
4. Include changes on worker orientation, employee handbook and trainings.
5. Create system to monitor grievances of workers and their resolution

#### Planned completion date

04/14/17

#### Company Action Plan Update

factory states that "records of how and when the grievances are resolved will be maintained".

## FINDING NO.13

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. The factory does not regularly monitor the discharge of kitchen fumes or domestic wastewater.
2. Waste oil is temporarily stored outside of the air compressor room on the top floor of the production building before being transferred to a secure storage area. At the time of the assessment, about 120L of waste oil was being stored outside of the air compressor room without secondary containment.
3. One backup generator and one chilling tower are not included in the current Environmental Impact Assessment report or the approval permit issued by the local Environmental Bureau. Thus, the actual facilities do not match the documentation.
4. The factory does not use a standardized manifest to record hazardous waste transfers, as legally required. Instead, they use their own record format. This could make activities surrounding the transfers of hazardous waste difficult for the local environmental authority to monitor.

#### Local Law or Code Requirement

Measures for the Administration of Environmental Surveillance, Article 21; China Environmental Impact Assessment Law, Article 16; Standard for Pollution Control on Hazardous Waste Storage GB 18597-2001, Article 6.2.4; Article 59 of the China Law of Prevention and Treatment of Environmental Pollution by Solid Wastes; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.9)

#### Recommendations for Immediate Action

1. Regularly monitor the discharge of kitchen fumes and domestic wastewater.
2. Provide secondary containment for all waste oil containers and cease the practice of temporarily storing waste oil outside of the air compressor room. Immediately transfer waste oil to a secure and ventilated storage area.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

##### IA:

1. Review all environmental law and local policy as it relates to environmental impact and emissions, discharges.
2. Identify and appoint someone responsible for assessing, monitoring and addressing these forms of environmental issues and impact.
3. Provide education on environmental issues to all workers and respond to question



- SI:
1. Review current factory environmental policy and procedures related to environmental impact and emissions, discharges and noise pollution.
  2. Revise policies to align with legal requirements.
  3. Train HR and related personnel on changes
  4. Include changes on worker orientation and trainings.
  5. Create system to monitor the discharge of kitchen fumes or domestic wastewater.

Planned completion date

04/14/17

Company Action Plan Update

environment policy and waste water testing report provided.

Action Plan no 2.

Description

- IA:
1. Appoint person responsible for dealing with all waste oil and storage. Create a policy and procedure for dealing with waste. Arrange secondary containment and storage for waste oil to ensure it is safe and not impacting workers or the environment.
  2. Review procedures for solid waste management.
  3. Identify what needs to be done to set up an authorized waste facility to dispose of waste oil.
  4. Identify who is responsible for keeping records on how the factory disposes of waste oil.
  5. Implement actions.

SI:

1. Create Policies and Procedures for waste oil management.
2. Provide training to all staff involved in the management of waste oil.
3. Establish a system to monitor and measure the waste oil disposal.

Planned completion date

04/14/17

Company Action Plan Update

waste material procedure and photo of waste oil removed provided.

Action Plan no 3.

Description

- IA:
1. Appoint relevant management to obtain legal documentation and permits issued by the local Environmental Bureau for actual facilities.
  2. Review documentation related to the final environmental protection acceptance.
  3. Provide a copy of such documentation.

SI:

1. Review current auditing preparation procedures.
2. Revise procedures to align with legal requirements, Terms of Trade and Service Level Agreements.
3. Train HR and related personnel on auditing procedures and document preparation.
4. Ensure actual facilities match the documentation.
5. Monitor implementation.

Planned completion date

04/14/17

Company Action Plan Update

Environmental Protection permit provided.

Action Plan no 4.

Description

- IA:
1. Appoint person responsible for dealing with dealing with hazardous waste difficult for the local environmental authority to monitor.
  2. Create a policy and procedure for dealing with dealing with hazardous waste difficult for the local environmental authority to monitor.
  3. Arrange for hazardous waste transfers to be conducted as legally required.
  4. Implement actions.

Sl:

1. Create Policies and Procedures for transferring hazardous waste.
2. Provide training to all staff involved in transferring hazardous waste.
3. Establish a system to monitor and measure the transfer of hazardous waste.

Planned completion date

04/14/17

Company Action Plan Update

hazard waste contract provided.

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The fire alarm system in the factory does not have a back-up battery.
2. The wires of an electrical fan in the waste material room are spliced with duct tape. One socket, also in the waste material room, is missing a screw and was fixed using duct tape.
3. Combustible fabric material is stored in one of the four stairwells on the first floor of the production building, posing a fall risk in case of evacuation.
4. The cable conduct of the fan in the glue mixing room is not explosion-proof.
5. Some of the horizontal bars on the fence on the mezzanine floor in the material warehouse and the fence on the top floor of the production building are missing, posing a fall risk.
6. The gaps between the horizontal bars of the handrail on the stairs and the fence on the mezzanine floor in the material warehouse are wider than the legal limit of 50cm. The handrail on one of the two staircases in the worker dormitory is about 70 cm high, lower than the legally required 110 cm.
7. There are no eye protection shields installed on four out of five computer sewing machines and no pulley guards installed on five out of eight sewing machines in the sewing workshop.
8. The traffic lanes and sidewalks on the factory premises are not clearly marked. The factory has neither assessed nor installed any visual signage or other aids, such as indicators, convex mirrors for dead ends, or reflectors, to ensure that workers use safe driving practices on factory premises.
9. The factory is not taking steps to reduce repetitive-motion stress/injuries. The workstations are not adjustable to fit individual workers and the seated workers' chairs do not have removable armrests or proper backrests. There are no anti-fatigue mats provided for workers who work in a standing position. There are no lifting belts provided for workers who lift heavy goods.

##### Local Law or Code Requirement

General Guide for Safety of Electric User, Article 6.7; Code of Design on Building Fire Protection and Prevention (GB50016-2014), Articles 6.4.1 and 6.4.5; Regulation for Safety of Dangerous Chemical, Article 20; Safety of machinery - Permanent means of access to machines and industrial plants - Part 3: Stairways, stepladders and guard-rails GB17888.3 -2008, Article 7.1.5; Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.13, HSE.14, and HSE.17)

##### Recommendations for Immediate Action

1. Install a back-up battery power for the fire alarm system.
2. Repair or replace all wiring spliced with duct tape. Ensure that electric wiring and sockets are maintained in good condition per legal requirements.
3. Do not store materials, especially combustible materials, in the stairwell.
4. Install an explosion-proof cable conduct for the fan in the glue mixing room.
5. Repair or replace broken fences. Ensure that all fall protection is installed according to legal requirements and maintained in good condition.
6. Replace horizontal bars and handrails that do not meet legal requirements.
7. Install pulley guards on the sewing machines and eye protection shields on the computer sewing machines.
8. Mark traffic lanes and sidewalks. Install visual signage and other safe driving aids.
9. Provide lifting belts for workers who lift heavy goods.

### COMPANY ACTION PLANS

Action Plan no 1.

Description

IA:

1. Review procedures on ensuring that the fire alarm system is centralized and has a backup battery.
2. Identify what needs to be done to ensure that the the fire alarm system is centralized and has a backup battery.
3. Identify who is responsible for doing so.
4. Implement action by installing a centralized and battery powered fire alarm system in the factory.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the fire alarm system in the factory.
2. Provide training or source external training for all employees who need to monitor and maintain a centralized and battery powered fire alarm system in the factory.
3. Create procedures to ensure that the centralized and battery powered fire alarm system in the factory is regularly checked and well maintained.

Planned completion date

04/14/17

Company Action Plan Update

photo of back-up battery and H&S check list provided.

## Action Plan no 2.

Description

IA:

1. Review procedures on ensuring that electrical wiring and sockets are properly maintained.
2. Identify what needs to be done to ensure that all electrical wiring and sockets are properly maintained and free of duct tape.
3. Identify who is responsible for doing so.
4. Implement action by repairing and maintaining electrical wiring and electrical outlets.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing maintaining electrical wiring and electrical outlets.
2. Provide Health and safety training to all employees on identifying any electrical wiring and electrical outlets that need repair.
3. Create procedures for the regular maintenance of all electrical wiring and electrical outlets.

Planned completion date

04/14/17

Company Action Plan Update

photo of electrical fan and H&S check list provided.

## Action Plan no 3.

Description

IA:

1. Review procedures on storage of combustible fabric material.
2. Review procedures on ensuring that stairwells are kept clear at all times.
3. Identify what needs to be done to address both.
4. Identify who is responsible for doing so.
5. Implement action to ensure said materials are stored elsewhere and stairwells are regularly monitored to ensure they are kept clear.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the storage of such materials.
2. Create or amend Health and Safety Policy and Procedure addressing the monitoring of stairwells.
3. Provide training or source external training for all employees who are tasked with such duties.
4. Create procedures to ensure that emergency exits are regularly checked and well maintained.

Planned completion date

04/14/17

Company Action Plan Update

photo of clear stairway and H&S check list provided.

## Action Plan no 4.

Description

IA:

1. Review procedures on explosive-proof electrical appliances in the glue mixing room.
2. Identify what needs to be done to put explosive-proof electrical appliances in the the glue mixing room
3. Identify who is responsible for doing so.

4. Implement action by installing explosive-proof electrical appliances in the the glue mixing room.

SI:

1. Create or amend Health and safety Policy and Procedure addressing explosive-proof electrical appliances in the glue mixing room and any other hazardous areas.
2. Provide Health and safety training to all employees on the correct use of explosive-proof electrical appliances.
3. Create procedures for ensuring that all hazardous areas of the factory have relevant explosive-proof electrical appliances.

Planned completion date

04/14/17

Company Action Plan Update

photo of cable and H&S check list provided.

#### Action Plan no 5.

Description

IA:

1. Review procedures on fall protection barriers.
2. Identify what needs to be done to repair the said fall protection.
3. Identify who is responsible for doing so.
4. Implement action by acquiring and repairing fall protection.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing fall protection.
2. Provide training or source external training for all relevant employees.
3. Create procedures to ensure that the fall protection equipment is regularly checked and well maintained.

Planned completion date

04/14/17

Company Action Plan Update

photo of horizontal bars of the fence provided.

#### Action Plan no 6.

Description

IA:

1. Review procedures on fall protection barriers.
2. Identify what needs to be done to repair the said fall protection.
3. Identify who is responsible for doing so.
4. Implement action by acquiring and repairing fall protection.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing fall protection.
2. Provide training or source external training for all relevant employees.
3. Create procedures to ensure that the fall protection equipment is regularly checked and well maintained.

Planned completion date

04/14/17

Company Action Plan Update

photo of handrail provided.

#### Action Plan no 7.

Description

IA:

1. Review procedures for providing eye protection and pulley guards in the sewing workshop.
2. Identify what needs to be done to provide eye protection and pulley guards in the sewing workshop.
3. Identify who is responsible for doing so.
4. Implement action by providing protection and pulley guards in the sewing workshop.

SI:

1. Create or amend Health and safety Policy and Procedure addressing eye protection and pulley guards in the sewing workshop and any other hazardous areas.
2. Provide Health and safety training to all employees on the correct use of eye protection and pulley guards.
3. Create procedures for ensuring that all areas of the factory have the relevant facilities and equipment to deal with any incidents.

Planned completion date

04/14/17

Company Action Plan Update

photo of protection shield and pulley guard provided.

## Action Plan no 8.

### Description

IA:

1. Review traffic lanes and sidewalks. Identify what area needs marking and what type of marking is needed.
2. Review driving routes in the factory and identify what visual signage is needed to ensure safe driving of workers.
3. Implement actions.

SI:

1. Create a Policy and Procedure for the safe marking of lanes and aisles.
2. Provide training to all staff on staying within the lanes provided and the reasons behind them.
3. Establish a procedure to monitor and record incidents to ensure that the lane markings are effective and helpful.

Planned completion date

04/14/17

Company Action Plan Update

photo and supplier response provided.

## Action Plan no 9.

### Description

14.9

Details

IA:

1. Appoint Health and Safety person responsible for posting safety instructions or warning signs to address repetitive-motion stress/injuries.
2. Review state of adjustable workstations, removable armrests, and proper backrests on chairs for seated workers.
3. Review state of workstations for those in need of anti-fatigue mats provided for workers who work in a standing position.
4. Review state of job descriptions for those in need lifting belts provided for workers who lift heavy goods.
5. Identify which ones are in most need or urgent replacement to ensure health of workers.
6. Create a purchasing budget to begin replacing and providing adjustable workstations, removable armrests, and/or proper backrests on chairs for seated workers.
7. Implement budget and purchase replacements.
8. Factory pilot the purchase of a few adjustable chairs with backrests and anti-fatigue mats for standing workers, with a subsequent review & evaluation of the pilot.

SI:

1. Create or amend Health and safety Policy and Procedure addressing safe use of machinery and guards on machines
2. Provide Health and safety training to all employees on the safe use of machinery and ensuring that all workers have access to and know why and how to use the relevant equipment provided.
3. Create a procedures for the monitoring of safe use of the said equipment.

Planned completion date

04/14/17

Company Action Plan Update

photos of prevention provided.

## FINDING NO.15

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The pressure vessel operator does not have an operator's certificate.
2. The factory does not regularly test the lightning protection system.
3. The factory does not conduct pre-job and post-job occupational health checkups for worker who are exposed to chemicals, dust, and/or noise.

4. The Occupational Disease Hazard Factor Test results are not made available to workers.
5. The factory converted a five-story dormitory building into a material warehouse in 2015, but does not have a renewed fire filing (registration) or fire permit for this change.

#### Local Law or Code Requirement

China Law of Prevention and Control of Occupational Diseases, Article 36; Special Appliance Quality Safety Monitoring Regulation, Article 38; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20; GB21431-2008 Technical specifications for inspection of lightning protection system in building, Article 6; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.4, and HSE.6)

#### Recommendations for Immediate Action

1. Ensure that the pressure vessel operator has a valid operator's certificate.
2. Regularly test the lightning protection system.
3. Establish and implement procedures on the legally required pre-job and post-job occupational health checkups for workers exposed to occupational hazards.
4. Make the results of Occupational Disease Hazard Factor Tests available to workers.
5. Obtain a renewed fire filing (registration) and fire permit for the converted dormitory building.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

IA:

1. Review procedures on ensuring that the said operator has an operators certificate;
2. Identify what needs to be done to ensure that the said operator obtains this certificate;
3. Identify who is responsible for doing so.
3. Implement action by obtaining and maintaining on file a valid qualification certificate.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing qualification certificates required for all machinery and appliances used in the factory.
2. Provide training or source external training for all employees who need to be certified in the relevant certified qualification.
3. Create procedures for the regular updating and renewal of all certificates.

#### Planned completion date

04/14/17

#### Company Action Plan Update

The photo evidence provided is an exam application.  
operator's certificate provided.

### Action Plan no 2.

#### Description

IA:

1. Review procedures on testing the lightning protection system.
2. Identify what needs to be done to ensure that the lightning protection system is tested annually as required by law.
3. Identify who is responsible for doing so.
4. Implement action by testing the lightning protection system.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the lightning protection system.
2. Provide training or source external training for all employees who need to be certified in testing the lightning protection system.
3. Create procedures to ensure that there is an annual testing of the lightning protection system.

#### Planned completion date

04/14/17

#### Company Action Plan Update

lightening prevention test provided.

### Action Plan no 3.

#### Description

IA:

1. Review procedures for pre-job and post-job occupational health check-ups for worker who are exposed to chemicals, dust, and/or noise.
2. Identify what needs to be done to ensure pre-job and post-job occupational health check-ups for workers who are exposed to chemicals, dust, and/or noise.
3. Identify who is responsible for doing so.
4. Implement action.

SI:

1. Create or amend Health and safety Policy and Procedure addressing pre-job and post-job occupational health check-ups for workers who are exposed to chemicals, dust, and/or noise.
2. Provide Health and safety training to all employees on pre-job and post-job occupational health check-ups for workers who are exposed to chemicals, dust, and/or noise.
3. Create a procedures for ensuring that such training and check-ups occur.

Planned completion date

04/14/17

Company Action Plan Update

factory states that "All new works of the factory has to do routine checkups, and also to do post-job occupational health checkups for worker who are exposed to chemicals, dust, and/or noise."

#### Action Plan no 4.

Description

IA:

1. Review all Occupational Disease Hazards / Occupational Disease Hazards Control law and local policy.
2. Identify and appoint someone responsible for assessing, monitoring and addressing Occupational Disease Hazards and/or the assessment of Current Condition of Occupational Disease Hazards Control issues and impact.
3. Provide education on Occupational Disease Hazards and/or the assessment of Current Condition of Occupational Disease Hazards Control to all workers and respond to questions.
4. Conduct a Pre-assessment Report of Occupational Disease Hazards and the assessment of Current Condition of Occupational Disease Hazards Control.

SI:

1. Review current Occupational Disease Hazards Control policy and procedures
2. Revise policies to align with legal requirements.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor incidents that relate to Occupational Disease Hazards

Planned completion date

04/14/17

Company Action Plan Update

sample of health report provided.

#### Action Plan no 5.

Description

IA:

1. Review procedures on ensuring that the five storey dormitory has the relevant permit or certificate;
2. Identify what needs to be done to ensure that the dormitory obtains the relevant permit.
3. Identify who is responsible for doing so.
4. Implement action by obtaining and maintaining on file the relevant permit.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the obtaining of the legally required permits.
2. Provide training or source external training for all employees who need to obtain such permits.
3. Create procedures for the regular updating and renewal of all permits.

Planned completion date

04/14/17

Company Action Plan Update

safety permit provided.

## NOTABLE FEATURE

### FINDING TYPE: Compensation

#### Finding Explanation

1. The factory provides free housing for female employees.
2. The dormitory is air conditioned.