



FAIR LABOR
ASSOCIATION[®]

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Team Beans & Forever Collectibles

COUNTRY: China

ASSESSMENT DATE: 09/06/18

ASSESSOR: Openview

PRODUCTS: Other

NUMBER OF WORKERS: 492

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: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There are no policies and procedures regarding workers' career paths or personnel development; the factory does not have specific career paths or skill development plans for workers. [ER.1, ER.28.1, ER.29]
2. The factory has no written policies and procedures outlining the performance review process for employees, including management and production workers; the factory does not conduct regular performance reviews. [ER.1.1, ER.29.1]
3. The factory has no system to review the performance of new employees during their probation period. [ER.29.1]
4. New workers receive no written documentation during orientation training. [ER.15.3]
5. Written job descriptions are only prepared for management; no job descriptions are prepared for production workers. [ER.1.1]
6. The factory has hired no 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 under local law, this practice carries the risk of discrimination, per the FLA Workplace Code and Benchmarks. [ER.3, ND.1, ND.2]

Local Law or Code Requirement

Regulation on the Employment of the Disabled, Articles 8 and 9. FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.15, ER.28 & ER.29; Nondiscrimination Benchmarks ND.1 & ND.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will establish the employees career development planning procedure as per FLA Workplace Code, and will implement correspondent development planning according to the procedure, each departments shall comply with it.
2. Factory will establish employee performance assessment method as per FLA Workplace Code, and execution according the procedure.
3. The HR department needs to establish a new employees evaluation form as per FLA Workplace Code, and needs to conduct a evaluation after the probation period.

4. Factory will provide written documentation to new workers during orientation training.
5. Factory will establish a written job descriptions for all the employees as per FLA Workplace Code.
6. Factory will establish disabled workers protection procedure according to requirements of the disability protection law, and will prepare some suitable position for the disabled.

Planned completion date

03/07/19

Company Action Plan Update

1. Factory will establish the employees career development planning procedure as per FLA Workplace Code, and will implement correspondent development planning according to the procedure, each departments shall comply with it.
2. Factory will establish employee performance assessment method as per FLA Workplace Code, and execution according the procedure.
3. The HR department needs to establish a new employees evaluation form as per FLA Workplace Code, and needs to conduct a evaluation after the probation period.
4. Factory will provide written documentation to new workers during orientation training.
5. Factory will establish a written job descriptions for all the employees as per FLA Workplace Code.
6. Factory will establish disabled workers protection procedure according to requirements of the disability protection law, and will prepare some suitable position for the disabled.

Action Plan no 2.

Description

1. Factory will establish the employees career development planning procedure as per FLA Workplace Code, and will implement correspondent development planning according to the procedure, each departments shall comply with it.
2. Factory will establish employee performance assessment method as per FLA Workplace Code, and execution according the procedure.
3. The HR department needs to establish a new employees evaluation form as per FLA Workplace Code, and needs to conduct a evaluation after the probation period.
4. Factory will provide written documentation to new workers during orientation training.
5. Factory will establish a written job descriptions for all the employees as per FLA Workplace Code.
6. Factory will establish disabled workers protection procedure according to requirements of the disability protection law, and will prepare some suitable position for the disabled.

Planned completion date

03/07/19

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory maternity leave policy states employees are to be paid their basic wage, excluding welfare and seniority allowance, and the maternity leave payment is to be paid as a lump sum once the worker returns to work. The management claims no worker has taken maternity leave. [C.1, C.4, ER.18, ER.22]
2. The factory arranges for some workers to take five days annual leave during the Chinese Spring Festival, but for workers with only ten days of annual leave and resigned workers, the factory pays the workers for the unused annual leave: the employee's basic wage, excluding the welfare and seniority allowance. [HOW.14, C.1]
3. The labor contract signed between workers and the factory states the factory should pay workers an overtime premium based on the legal minimum wage, plus seniority allowance. However, the factory only pays workers the overtime premium based on the legal minimum wage, and does not include the seniority allowance. [ER.18, C.1, C.7.1]
4. The factory arranges workers to take annual leave during Chinese Spring Festival together. No workers apply for annual leave in other period. [HOW.12]
5. The contribution base for the five types of social insurance, except medical insurance, is not in line with legal requirements. The contribution is based on the local minimum requirement of CNY 2,906 (USD 425) before July 2018 and CNY 3,100 (USD 453) afterward, for work-related injury, maternity, unemployment and pension insurance, instead of based on an employee's actual monthly wage (80% of employees' wages are between CNY 3,300 to 7,000 (USD 482 to 1,023) per month). [ER.22.2, C.10.1]

6. The factory does not provide the Housing Provident Fund for any employees. [ER.22.1, C.10.1]

7. According to local laws, employees whose monthly income is more than CNY 3,500 (USD 511) should pay personal income tax. However, no employees have paid personal income tax in the past 12 months. [C.10.1]

Local Law or Code Requirement

The Provisions on Maternity Insurance for employees in Guangdong Province, Article 17; The Implementation Measures for Employee Paid Annual Leave, Article 11; China Labor Law, Article 44; Social Insurance Law of the PRC, Articles 12 & 60; Regulations on Management of Housing Provident Fund, Articles 15 & 16; China Law of Income Tax, Articles 2 and 3. FLA Workplace Code (Employment Relationship Benchmark ER.18 & ER.22; Compensation Benchmarks C.1, C.4, C.7 & C.10; Hours of Work Benchmarks HOW.12 & HOW.14)

Recommendations for Immediate Action

1. Revise the maternity leave policy; ensure payment for maternity leave is calculated and paid according to the legal requirement.
2. Calculate annual leave payments correctly.
3. Pay overtime premiums per the labor contract.
4. Do not impose undue restrictions on workers' annual leave.
5. Base social insurance contributions on employees' actual monthly wages.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will update maternity leave policy according to local law, expliciting that the maternity leave wages includes the basic salary and welfare allowance.
2. Factory will update annual leave salary payment standard as per labor law, expliciting that the basic salary and welfare allowance to be included, and will convert by day and paid it.
3. Factory will update the provisions about calculation of overtime work pay in the labor contract according to label law.
4. For annual leave, it has already been approved by the staff representative to have the annual leave within spring festival holiday. If any employees wants to have the annual leave individually, will comply with the employee's requirement.
5. Factory will buy social insurance for workers in full according to local labor law.
6. Factory will buy Housing Provident Fund for workers in full according to local labor law.
7. Factory will request workers to pay personal income tax according to local law and regulation.

Planned completion date

12/07/18

Company Action Plan Update

1. Factory will update maternity leave policy according to local law, expliciting that the maternity leave wages includes the basic salary and welfare allowance.
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5. Factory will buy social insurance for workers in full according to local labor law.
6. Factory will buy Housing Provident Fund for workers in full according to local labor law.
7. Factory will request workers to pay personal income tax according to local law and regulation.

Action Plan no 2.

Description

1. Factory will update maternity leave policy according to local law, expliciting that the maternity leave wages includes the basic salary and welfare allowance.
2. Factory will update annual leave salary payment standard as per labor law, expliciting that the basic salary and welfare allowance to be included, and will convert by day and paid it.
3. Factory will update the provisions about calculation of overtime work pay in the labor contract according to label law.
4. For annual leave, it has already been approved by the staff representative to have the annual leave within spring festival holiday. If any employees wants to have the annual leave individually, will comply with the employee's requirement.
5. Factory will buy social insurance for workers in full according to local labor law.
6. Factory will buy Housing Provident Fund for workers in full according to local labor law.

7. Factory will request workers to pay personal income tax according to local law and regulation.

Planned completion date

12/07/18

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. According to time records for August 2017 to August 2018, and worker interviews, approximately 90% of workers' monthly overtime hours exceeded 36 hours per month in this time-frame, with a maximum of 85 hours in June 2018. [HOW.1.1, HOW.8.1]

2. The production plan includes overtime work. The factory typically makes production plans based on 10 hours per workday plus 8 hours of overtime on Saturday, resulting in 18 hours overtime per week. HOW.8.1, HOW.8.4

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. Ensure overtime hours do not exceed 36 hours a month.

2. Do not include overtime and request overtime on a regular basis in the production plan.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.The production and operation manager will formulate a reduce overtime work plan to reduce the employees overtime work gradually.

2. When the production department arrange the production planning and delivery time, will evaluate and arrange it as per the working standard of 8hours each day and 40hours per week.

Planned completion date

12/07/18

Company Action Plan Update

1.The production and operation manager will formulate a reduce overtime work plan to reduce the employees overtime work gradually.

2. When the production department arrange the production planning and delivery time, will evaluate and arrange it as per the working standard of 8hours each day and 40hours per week.

Action Plan no 2.

Description

1.The production and operation manager will formulate a reduce overtime work plan to reduce the employees overtime work gradually.

2. When the production department arrange the production planning and delivery time, will evaluate and arrange it as per the working standard of 8hours each day and 40hours per week.

Planned completion date

12/07/18

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory has no written policies and procedures governing retirement and retrenchment, including how to calculate final pay-outs. [ER.1.1, ER.32.1]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will establish a calculation and compensation procedure for the employees retires and retrenchment, and will conduct procedure training to all the HR and department supervisors.

Planned completion date

03/07/19

Company Action Plan Update

1. Factory will establish a calculation and compensation procedure for the employees retires and retrenchment, and will conduct procedure training to all the HR and department supervisors.

Action Plan no 2.

Description

1. Factory will establish a calculation and compensation procedure for the employees retires and retrenchment, and will conduct procedure training to all the HR and department supervisors.

Planned completion date

03/07/19

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory cannot provide the union election records, or demonstrate workers freely elected the members of the union committee. [ER.1, ER.26, FOA.11]

2. The trade union has nine members including the Chairman; however, they all are management or office staff. There are no production workers among them. [ER.26, FOA.10, FOA.11]

3. There is no written Collective Bargaining Agreement between the union and factory management. [ER.26, FOA.1, FOA.16.2]

4. 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. [FOA.2]

Local Law or Code Requirement

PRC Labor Union Law, Article 20. FLA Workplace Code (Employment Relationship Benchmarks ER.1 & ER.26; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.10, FOA.11 & FOA.16)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1 The labor union chairman needs to convoke the 2019 trade union election congress and keep the voting records.
2. The 2019 re-election requires nominations to include production workers.
3. Factory will sign Collective Bargaining Agreement with the union and regularly check whether it is within the validity period.
4. The label union will convoke all the union members to have a explanation meeting to let all of them understanding about the content of the agreement, protect the fundamental rights for all the employees.

Planned completion date

09/07/19

Company Action Plan Update

- 1 The labor union chairman needs to convoke the 2019 trade union election congress and keep the voting records.
2. The 2019 re-election requires nominations to include production workers.
3. Factory will sign Collective Bargaining Agreement with the union and regularly check whether it is within the validity period.
4. The label union will convoke all the union members to have a explanation meeting to let all of them understanding about the content of the agreement, protect the fundamental rights for all the employees.

Action Plan no 2.

Description

- 1 The labor union chairman needs to convoke the 2019 trade union election congress and keep the voting records.
2. The 2019 re-election requires nominations to include production workers.
3. Factory will sign Collective Bargaining Agreement with the union and regularly check whether it is within the validity period.
4. The label union will convoke all the union members to have a explanation meeting to let all of them understanding about the content of the agreement, protect the fundamental rights for all the employees.

Planned completion date

09/07/19

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The disciplinary system does not clearly require all employee disciplinary actions, and warnings, to be recorded and filed. [ER.1, ER.27.1]
2. The disciplinary system does not include procedures for workers to appeal disciplinary action or to have a third-party witness present during the imposition of a disciplinary action. [ER.1, ER.27.4]
3. The factory does not keep records of disciplinary actions. [ER.1, ER.2, ER.27.2.2]
4. New workers do not receive a copy of the workplace rules during orientation. [ER.15.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15 & ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.The general affair department will update the "Reward and Punishment Control Procedure", expliciting that the records of the employee's reward and punishment needs to be retained.
- 2.The general affair department will update the "Reward and Punishment Control Procedure", expliciting when employees appeals

against a disciplinary action, a third party witness shall be present or the third party witness need to have a signature on the Reward and Punishment records.

3.The HR department needs to establish employees' reward and punishment records, when there are any disciplinary action, it should be recorded by the HR.

4. The general affair department needs to distribute a copy of the workplace rules to all the new employees during orientation, let all the employees understand the rules and regulations of the factory.

Planned completion date

03/07/19

Company Action Plan Update

1.The general affair department will update the "Reward and Punishment Control Procedure", expliciting that the records of the employee's reward and punishment needs to be retained.

2.The general affair department will update the "Reward and Punishment Control Procedure", expliciting when employees appeals against a disciplinary action, a third party witness shall be present or the third party witness need to have a signature on the Reward and Punishment records.

3.The HR department needs to establish employees' reward and punishment records, when there are any disciplinary action, it should be recorded by the HR.

4. The general affair department needs to distribute a copy of the workplace rules to all the new employees during orientation, let all the employees understand the rules and regulations of the factory.

Action Plan no 2.

Description

1.The general affair department will update the "Reward and Punishment Control Procedure", expliciting that the records of the employee's reward and punishment needs to be retained.

2.The general affair department will update the "Reward and Punishment Control Procedure", expliciting when employees appeals against a disciplinary action, a third party witness shall be present or the third party witness need to have a signature on the Reward and Punishment records.

3.The HR department needs to establish employees' reward and punishment records, when there are any disciplinary action, it should be recorded by the HR.

4. The general affair department needs to distribute a copy of the workplace rules to all the new employees during orientation, let all the employees understand the rules and regulations of the factory.

Planned completion date

03/07/19

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory does not maintains records for grievances or complaints. Management therefore cannot demonstrate they review complaints and grievances, and take appropriate action. [ER.1, ER.25.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 & ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will arrange a person to open the suggestion box weekly to collect the employee's suggestion and complaint, if any suggestion and complaints collected, it will be recorded on the "employee comments collection and response record" for follow up.

Planned completion date

03/07/19

Company Action Plan Update

1. Factory will arrange a person to open the suggestion box weekly to collect the employee's suggestion and complaint, if any suggestion and complaints collected, it will be recorded on the "employee comments collection and response record" for follow up.

Action Plan no 2.

Description

1. Factory will arrange a person to open the suggestion box weekly to collect the employee's suggestion and complaint, if any suggestion and complaints collected, it will be recorded on the "employee comments collection and response record" for follow up.

Planned completion date

03/07/19

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Four buckets of hydrochloric acid in electroplating workshop did not have secondary containers, and the size of volume for most secondary containers are only 40% to 80% of the total chemical volume stored in workshops. [HSE.9.1]

2. In one waste room, empty paint containers were stored with non-hazardous waste. [HSE.1]

Local Law or Code Requirement

Regulations on the Safety Management of Dangerous Chemicals, Article 20; PRC Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 58. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.9)

Recommendations for Immediate Action

1. Install proper secondary containers for all chemicals in the factory.

2. Store hazardous waste separate from non-hazardous waste.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will provide enough secondary containers to the departments who use chemicals, department supervisors need to make sure chemicals are stored in the secondary container as per request daily; The general affairs department needs to check all the secondary containers monthly and to immediately inform the related department to replenish the secondary containers when it is found to be insufficient.

2. The general affair department will separate storage of waste generated by the factory, the waste is divided into "household waste", "recyclable waste", "unrecyclable waste" and "hazardous waste", will set corresponding waste bin for each department and explicit the type of the waste on the waste bin; will also paste the waste sorting publicity materials on the bulletin board in the factory.

Planned completion date

12/07/18

Company Action Plan Update

1. Factory will provide enough secondary containers to the departments who use chemicals, department supervisors need to make sure chemicals are stored in the secondary container as per request daily; The general affairs department needs to check all the secondary containers monthly and to immediately inform the related department to replenish the secondary containers when it is found to be insufficient.

2. The general affair department will separate storage of waste generated by the factory, the waste is divided into "household waste", "recyclable waste", "unrecyclable waste" and "hazardous waste", will set corresponding waste bin for each department and explicit the type of the waste on the waste bin; will also paste the waste sorting publicity materials on the bulletin board in the factory.

Action Plan no 2.

Description

1. Factory will provide enough secondary containers to the departments who use chemicals, department supervisors need to make sure chemicals are stored in the secondary container as per request daily; The general affairs department needs to check all the

secondary containers monthly and to immediately inform the related department to replenish the secondary containers when it is found to be insufficient.

2.The general affair department will separate storage of waste generated by the factory, the waste is divided into "household waste", "recyclable waste", "unrecyclable waste" and "hazardous waste", will set corresponding waste bin for each department and explicit the type of the waste on the waste bin; will also paste the waste sorting publicity materials on the bulletin board in the factory.

Planned completion date

12/07/18

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are two buckets of hydrochloric acid without safety labels in the electroplating workshop. [HSE.9.1]
2. The factory has posted or displayed no safety instructions near any production machines in the workshops. [HSE.14.3]
3. The factory has no list of equipment or machines that require lockout-tagout. [HSE.14.1]
4. There is no lockout equipment for unused machines or those undergoing maintenance during the assessment. [HSE.14.1]
5. There is no lightning protection system installed in the factory. [HSE.1]
6. The factory does not track worker illnesses. [HSE.3]

Local Law or Code Requirement

Regulations on the Safe Use of Chemicals in Workplace, Article 12; Code for Design Protection of Structures against Lightning, Article

4.1.1. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.9 & HSE.14)

Recommendations for Immediate Action

1. Post safety labels for all hazardous chemicals.
2. Post safety instructions near all production machines in workshops.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory has already formulated the special labels for chemicals and requested each department supervisors to paste it on the correspondent chemicals. Department supervisors needs to inspect safety labels for all the chemicals every day.
2. Factory already formulated safety instructions for all the production machines and paste it on the production area; paste the warning mark on the area of equipment that is vulnerable to injury.
3. The general affair department will make check-list & hangtags of equipment or machines that require lockout-tagout, and conduct hangtag locking device using and safety issue training to all the electricians and department supervisors and keep relevant training records.
- 4.During the maintenance of the equipment, will put special hangtag locking device on the equipments and assign a person for maintenance of the machine equipment.
- 5.Will discuss with the plant owner to confirmed whether the lightning protection system can be installed.
- 6.The general affair department will establish a "employee disease resume", each time when employees have sick leave, will keep records according to the hospital sick leave certificate provided by employees, then the occurrence of diseases of employees can be tracked.

Planned completion date

12/07/18

Company Action Plan Update

1. Factory has already formulated the special labels for chemicals and requested each department supervisors to paste it on the correspondent chemicals. Department supervisors needs to inspect safety labels for all the chemicals every day.

2. Factory already formulated safety instructions for all the production machines and paste it on the production area; paste the warning mark on the area of equipment that is vulnerable to injury.
3. The general affair department will make check-list & hangtags of equipment or machines that require lockout-tagout, and conduct hangtag locking device using and safety issue training to all the electricians and department supervisors and keep relevant training records.
4. During the maintenance of the equipment, will put special hangtag locking device on the equipments and assign a person for maintenance of the machine equipment.
5. Will discuss with the plant owner to confirmed whether the lightning protection system can be installed.
6. The general affair department will establish a "employee disease resume", each time when employees have sick leave, will keep records according to the hospital sick leave certificate provided by employees, then the occurrence of diseases of employees can be tracked.

Action Plan no 2.

Description

1. Factory has already formulated the special labels for chemicals and requested each department supervisors to paste it on the correspondent chemicals. Department supervisors needs to inspect safety labels for all the chemicals every day.
2. Factory already formulated safety instructions for all the production machines and paste it on the production area; paste the warning mark on the area of equipment that is vulnerable to injury.
3. The general affair department will make check-list & hangtags of equipment or machines that require lockout-tagout, and conduct hangtag locking device using and safety issue training to all the electricians and department supervisors and keep relevant training records.
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FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. While the factory has procedures on fire preparedness, it has not had a fire risk assessment. [ER.31]
2. The factory has received neither the Pre-Assessment of Occupational Disease Hazards nor the Assessment of Current Condition of Occupational Disease Hazards since they extended two factory buildings in 2005. [HSE.1, HSE.4]
3. In a report testing the Occupational Disease Hazard Factors from January 2018, the noise in the punching workshop reaches 91dB to 95dB, which exceeds the national standard limit of 85dB. [HSE.1]
4. The factory conducts no ergonomics management for workers, like reducing repetitive-motion stress and injuries or providing adjustable workstations for sitting workers. Individual workstations are not adjustable to fit individual workers. [HSE.17.1]
5. Factory management has not clearly marked the traffic lanes or walk paths in the factory, or provided visual management such as indicators, convex mirrors in dead ends, or reflectors to ensure safe driving practices on factory premises. [HSE.5.1]

Local Law or Code Requirement

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 17; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20; PRC Law of Prevention and Control of Occupational Diseases Article 27. FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.5 & HSE.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Leading by the general affair department's safety director, with the participation of the members of the environmental health and safety team, to conduct risk assessment for all the area where there is a risk of fire in the factory and keep relevant assessment records; formulate a control measure for the identified fire risk, conduct fire risk identification and control measure training to each department supervisors and keep relevant training records.
2. The general affair department needs to entrust a third-party inspection agency to conduct status inspection in occupational hazard areas in the factory every year and keep relevant inspection report.
3. Factory will request the employees to wear earmuffs with high noise reduction levels in the workshop where the noise exceeding 85db to reduce the impact on the employees, and will paste the signs "must wear earmuffs at work" on the pressing workshop; each department supervisors needs to check whether their employees wear it as per required during their daily inspection.
4. Now the factory had provided the ergonomic seats for all the coloring, inspection, assembling and packing department employees, and provided foot pad for the standing workers of the CNC department; for other departments, will leading by the general affair department and environmental protection team to make an assessment to check the necessity of ergonomic seats and foot pad.
5. Factory has clearly marked the traffic lanes and walk paths in the factory, also provided indicators, convex mirrors in dead ends, reflectors to ensure safe driving practices on factory premises

Planned completion date

03/07/19

Company Action Plan Update

1. Leading by the general affair department's safety director, with the participation of the members of the environmental health and safety team, to conduct risk assessment for all the area where there is a risk of fire in the factory and keep relevant assessment records; formulate a control measure for the identified fire risk, conduct fire risk identification and control measure training to each department supervisors and keep relevant training records.
2. The general affair department needs to entrust a third-party inspection agency to conduct status inspection in occupational hazard areas in the factory every year and keep relevant inspection report.
3. Factory will request the employees to wear earmuffs with high noise reduction levels in the workshop where the noise exceeding 85db to reduce the impact on the employees, and will paste the signs "must wear earmuffs at work" on the pressing workshop; each department supervisors needs to check whether their employees wear it as per required during their daily inspection.
4. Now the factory had provided the ergonomic seats for all the coloring, inspection, assembling and packing department employees, and provided foot pad for the standing workers of the CNC department; for other departments, will leading by the general affair department and environmental protection team to make an assessment to check the necessity of ergonomic seats and foot pad.
5. Factory has clearly marked the traffic lanes and walk paths in the factory, also provided indicators, convex mirrors in dead ends, reflectors to ensure safe driving practices on factory premises

Action Plan no 2.

Description

1. Leading by the general affair department's safety director, with the participation of the members of the environmental health and safety team, to conduct risk assessment for all the area where there is a risk of fire in the factory and keep relevant assessment records; formulate a control measure for the identified fire risk, conduct fire risk identification and control measure training to each department supervisors and keep relevant training records.
2. The general affair department needs to entrust a third-party inspection agency to conduct status inspection in occupational hazard areas in the factory every year and keep relevant inspection report.
3. Factory will request the employees to wear earmuffs with high noise reduction levels in the workshop where the noise exceeding 85db to reduce the impact on the employees, and will paste the signs "must wear earmuffs at work" on the pressing workshop; each department supervisors needs to check whether their employees wear it as per required during their daily inspection.
4. Now the factory had provided the ergonomic seats for all the coloring, inspection, assembling and packing department employees, and provided foot pad for the standing workers of the CNC department; for other departments, will leading by the general affair department and environmental protection team to make an assessment to check the necessity of ergonomic seats and foot pad.
5. Factory has clearly marked the traffic lanes and walk paths in the factory, also provided indicators, convex mirrors in dead ends, reflectors to ensure safe driving practices on factory premises

Planned completion date

03/07/19

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. Orientation training does not cover Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection. [ER.1.2, ER.15.1]
2. The factory does not train managers and supervisors on Termination & Retrenchment or Environmental Protection. [ER.1.2, ER.17]
3. No workers are trained on proper lifting techniques. [HSE.17.2]
4. The periodic training for all workers does not cover Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection. [ER.1.2, ER.15.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15 & ER.17; Health, Safety & Environment Benchmark HSE.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.The general affairs department needs to revise the employee orientation training materials to cover Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection, and the HR department needs to conduct relevant training to the new employees during their on boarding training and keep corresponding training records.
- 2.General affair department will update orientation materials to cover Termination & Retrenchment or Environmental Protection, and conduct intensive training every six month to all the managers and supervisors in the factory, keep relevant training records.
3. The general affair department's safety director needs to conduct a safety knowledge training to all the employees who handling with lifting, hanging and heavy objects every six month and keep relevant training records.
- 4.The general affair department will conduct training to include Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection to all the employees each six month and keep relevant training records.

Planned completion date

03/07/19

Company Action Plan Update

- 1.The general affairs department needs to revise the employee orientation training materials to cover Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection, and the HR department needs to conduct relevant training to the new employees during their on boarding training and keep corresponding training records.
- 2.General affair department will update orientation materials to cover Termination & Retrenchment or Environmental Protection, and conduct intensive training every six month to all the managers and supervisors in the factory, keep relevant training records.
3. The general affair department's safety director needs to conduct a safety knowledge training to all the employees who handling with lifting, hanging and heavy objects every six month and keep relevant training records.
- 4.The general affair department will conduct training to include Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection to all the employees each six month and keep relevant training records.

Action Plan no 2.

Description

- 1.The general affairs department needs to revise the employee orientation training materials to cover Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection, and the HR department needs to conduct relevant training to the new employees during their on boarding training and keep corresponding training records.
- 2.General affair department will update orientation materials to cover Termination & Retrenchment or Environmental Protection, and conduct intensive training every six month to all the managers and supervisors in the factory, keep relevant training records.
3. The general affair department's safety director needs to conduct a safety knowledge training to all the employees who handling with lifting, hanging and heavy objects every six month and keep relevant training records.
- 4.The general affair department will conduct training to include Personnel Development, Termination & Retrenchment, Industrial Relations, or Environmental Protection to all the employees each six month and keep relevant training records.

Planned completion date

03/07/19

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. Communication from management to workers is insufficient, as the factory policies and procedures on Personnel Development, Termination & Retrenchment, Industrial Relations, and Environmental Protection are not posted at the workplace or communicated to workers. [ER.2.2, ER.29.1, ER.30.2, ER.31, ER.32.5]

2. Workers are neither systematically integrated nor consulted in decision-making processes in Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment; Environmental Protection or Health & Safety. The factory has not established procedures to request and or receive workers' input or feedback regarding the creation, implementation, and updating of its policies and procedures. [ER.1, ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.25, ER.29, ER.30, ER.31 & ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.Factory has already established correspondent procedures and policy on the social responsibility and environment, the general affairs department will paste relevant policy and procedure on the bulletin board in the factory and will conduct relevant training to the new workers during their on boarding training.

2. The general affairs department will convene the factory employees representatives to review the existing social responsibility and environmental procedure and policy in the factory together, and will revise it as per the opinions given by the employee representatives; for any procedure and policy revisions, will convene all the employee representatives to discuss it.

Planned completion date

03/07/19

Company Action Plan Update

1.Factory has already established correspondent procedures and policy on the social responsibility and environment, the general affairs department will paste relevant policy and procedure on the bulletin board in the factory and will conduct relevant training to the new workers during their on boarding training.

2. The general affairs department will convene the factory employees representatives to review the existing social responsibility and environmental procedure and policy in the factory together, and will revise it as per the opinions given by the employee representatives; for any procedure and policy revisions, will convene all the employee representatives to discuss it.

Action Plan no 2.

Description

1.Factory has already established correspondent procedures and policy on the social responsibility and environment, the general affairs department will paste relevant policy and procedure on the bulletin board in the factory and will conduct relevant training to the new workers during their on boarding training.

2. The general affairs department will convene the factory employees representatives to review the existing social responsibility and environmental procedure and policy in the factory together, and will revise it as per the opinions given by the employee representatives; for any procedure and policy revisions, will convene all the employee representatives to discuss it.

Planned completion date

03/07/19

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. Although the factory conducts annual internal audits, management does not review or update the policies and procedures according to local laws and the FLA Workplace Code and Benchmarks for Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, or Health & Safety. ER.1.3, ER.29.1, ER.30.2

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The environmental health and safety management representatives in factory needs to convoke an environment health and safety meeting, all the employee's representatives needs to participate it to review the effectiveness of the company existing social responsible policy and procedure documents. Shall conduct the internal audit and management review once a year, the internal audit and management review needs to include the social responsibility policy and procedure's suitability and effectiveness, keep related records.

Planned completion date

03/07/19

Company Action Plan Update

1. The environmental health and safety management representatives in factory needs to convoke an environment health and safety meeting, all the employee's representatives needs to participate it to review the effectiveness of the company existing social responsible policy and procedure documents. Shall conduct the internal audit and management review once a year, the internal audit and management review needs to include the social responsibility policy and procedure's suitability and effectiveness, keep related records.

Action Plan no 2.

Description

1. The environmental health and safety management representatives in factory needs to convoke an environment health and safety meeting, all the employee's representatives needs to participate it to review the effectiveness of the company existing social responsible policy and procedure documents. Shall conduct the internal audit and management review once a year, the internal audit and management review needs to include the social responsibility policy and procedure's suitability and effectiveness, keep related records.

Planned completion date

03/07/19

FINDING NO.14

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory provides a free dormitory and three free meals every day for employees. For workers who do not participate, the factory provides a living allowance of CNY 500 per month.