



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Fanatics Apparel, Inc.

COUNTRY: China

ASSESSMENT DATE: 09/17/18

ASSESSOR: Openview

PRODUCTS: Apparel

NUMBER OF WORKERS: 106

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

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has no disabled workers. Local law requires at least 1.5% of the total workforce be disabled. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers, as allowed under the local law, this practice carries the risk of discrimination, per the FLA Workplace Code and Benchmarks. [ER.3, ND.2]

2. The procedures regarding performance reviews do not include processes on job grading, nondiscrimination, written feedback, or legal compliance. [ER.29.1]

Local Law or Code Requirement

Regulation on the Employment of the Disabled, Articles 8 & 9. FLA Workplace Code (Employment Relationship Benchmarks ER.3 & ER.29; Non-discrimination Benchmark ND.2)

Recommendations for Immediate Action

1. Remove the age limit from the recruitment advertisement.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory is setting up policy and procedures in hiring disabled workers in accordance with the law requirement. 2. Factory enhances the procedures on worker's performance reviews and include processes on job grading, nondiscrimination and written feedback from workers

Planned completion date

12/18/18

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The payment system, including minimum wage, overtime premiums, and any kind of paid leave, cannot be verified, as the payrolls the factory provides do not reflect workers' actual working time. The time records the factory provided are incomplete and inaccurate. There are some inconsistencies between the time records the factory provided and the information assessors obtained through production records and worker interviews. [ER.18, C.15, C.16.1]
2. Based on social insurance payments from August 2017 to August 2018 and worker and management interviews, the factory is not providing sufficient social insurance coverage for employees. There are 80 employees in the factory. In August 2018, the factory covered 65% of employees through pension, work-related injury, unemployment, medical, and maternity insurance. The factory provided the remaining employees with commercial accidental injury insurance, valid from March 2018 to March 2019, with a maximum benefit of CNY 200,000 (USD 29,120.56) per employee. [ER.22, C.10]
3. The contribution base for the five types of social insurance is not in line with legal requirements. The contribution for the five types of social insurance should be based on the employee's actual monthly wage in the previous year (CNY 3,800 to 4,500, or USD 553.29 to 655.21 per month). However, the factory only contributes based on CNY 2,750 (USD 400.41) per month. [ER.22, C.10]
4. The factory does not pay into the Housing Provident Fund for any workers. [ER.22, C.1, C.10]

Local Law or Code Requirement

China Labor Law, Articles 44, 48, 51, 72 & 73; Social Insurance Law of the PRC, Articles 12 & 58; Regulations on Management of Housing Provident Fund, Articles 2, 3 & 15. FLA Workplace Code (Employment Relationship Benchmarks ER.18 & ER.22; Compensation Benchmarks C.1, C.10, C.15 & C.16)

Recommendations for Immediate Action

1. Maintain complete and accurate payroll records linked to workers' actual working hours.
2. Pay employees the legal minimum wage and pay overtime work at the legal premium rate.
3. Provide all legally required paid leave to all workers.
4. Provide all workers with five types of social insurance.
5. Calculate social insurance contributions based on employee's actual monthly wage for the previous year.
6. Provide all workers with the Housing Provident Fund.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1, Factory maintains complete and accurate payroll records tied to workers' actual working hours. 2.Factory is setting up policy and procedures ensuring all employees are paid with at least the legal minimum wage and overtime payment at the legal premium rate. Factory will also keep abreast and update on law regarding any change on legal minimum wage rate. 3. factory is setting up policy and procedure ensuring all legally required paid leave are provided to all workers. Related training will be provided to all workers on legal benefits. 4. Factory is encouraging workers to enroll to social insurance scheme and set up plan to increase social insurance coverage. 5. Factory computes social insurance contributions based on the legal requirement. 6. Factory is consulting with labor bureau regarding housing fund provide to all eligible workers. 7. Related training on benefit of social insurance, wages and employee benefits is provided to all workers.

Planned completion date

12/18/18

Company Action Plan Update

1, Factory maintains complete and accurate payroll records tied to workers' actual working hours.(completed) 2.Factory is setting up policy and procedures ensuring all employees are paid with at least the legal minimum wage and overtime payment at the legal premium rate. Factory will also keep abreast and update on law regarding any change on legal minimum wage rate.(completed) 3. factory is setting up policy and procedure ensuring all legally required paid leave are provided to all workers. Related training will be provided to all workers on legal benefits (completed) 4. Factory is encouraging workers to enroll to social insurance scheme and

set up plan to increase social insurance coverage (completed) 5. Factory computes social insurance contributions based on the legal requirement (completed) 7. Related training on benefit of social insurance, wages and employee benefits is provided to all workers (completed)

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory time records are incomplete and inaccurate: 1) There are discrepancies between the time records the factory provided, the production records, and worker interviews. For example, time records indicate no one works on Sundays. However, production records for the cutting and printing workshop show approximately ten workers worked on several Sundays, and worker interviews confirmed this; 2)The time record machine malfunctions. [ER.1.1, ER.23]

2. According to the factory-provided time records for August 2017 to September 2018 and worker interviews, 90% of workers' monthly overtime hours exceeded 36 hours per month, except February 2018, with a maximum of 70 hours in June 2018. [HOW.1.1]

3. The factory production plan is based on a 52-hour work week. Factory management sets production targets, piece rates, and any other incentive or production system at a level such that workers need to work 12 overtime hours per week. [HOW.8.1]

4. Based on document review and interviews with workers and management, the factory did not conduct an analysis of regular working hours to progressively reduce excessive hours of work. [HOW.1.2]

Local Law or Code Requirement

China Labor Law, Article 41. FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.23; Hours of Work Benchmarks HOW.1 and HOW.8)

Recommendations for Immediate Action

1. Create a reliable time recording system and maintain complete and accurate time records.
2. Ensure workers' overtime hours not exceed 36 hours a month.
3. Do not include overtime or request employee overtime on a regular basis in the production plan.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory set up a reliable time recording system and maintain complete and accurate time records. All OT or rest day work will be recorded properly and checked by payroll staff. Training on maintaining accurate time records will be provided to the supervisors and workers. 2. Factory is setting up policy/procedures in reducing excessive overtime working hours by retaining skillful workers, improve workers' satisfaction, improve communication between supervisor and workers, provide on the job training to improve efficiency. 3. Factory eliminates mandatory overtime work requirement on the production plan, or require employee to work overtime on a regular basis. The normal working hours will be based on the labor law requirement and communicate to all workers. 4. factory conducts an analysis on overtime work to find out the root cause and to progressively reduce excessive hours of work.

Planned completion date

12/18/18

Company Action Plan Update

1. factory set up a reliable time recording system and maintain complete and accurate time records. All OT or rest day work will be recorded properly and checked by payroll staff. Training on maintaining accurate time records will be provided to the supervisors and workers (completed)

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. There is no guidance on how to calculate final payouts for retrenchment in the current policies & procedures. [ER.1, ER.32]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory will establish guidance on how to calculate final payouts for retrenchment and incorporate it to the factory's policies & procedures. Training on computation will be provided to management and related personnel.

Planned completion date

03/19/19

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. There are no policies or procedures regarding Industrial Relations. [ER.26]

2. The factory does not provide workers with a copy of the Collective Bargaining Agreement (CBA). [ER.16.2]

3. 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

FLA Workplace Code (Employment Relationship Benchmarks ER.16 & ER.26; Freedom of Association Benchmark FOA.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory is setting up policies and procedures regarding Industrial Relations and provide related training to workers and management. 2. factory will provide workers with a copy of the Collective Bargaining Agreement in accordance with the labor law

requirement.

Planned completion date

09/18/19

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory does not give employees a copy of the workplace rules or other written documentation during orientation. [ER.15.3]
2. The factory maintains disciplinary action records in a centralized file, separated from personnel files. [ER.2, ER.27.3.4]
3. The factory's current disciplinary procedures include monetary fines or deductions as a form of disciplinary action. For example, the procedures call for fines for workers, CNY 100 (USD 14.56), for smoking in a non-smoking area. The factory has not fined any employees in practice. [H/A.2]

Local Law or Code Requirement

China Labor Law, Article 50. FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.15 & ER.27; Harassment or Abuse Benchmark H/A.2)

Recommendations for Immediate Action

1. Remove monetary fine and deduction regulations in the disciplinary procedures.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory provides employees a copy of the workplace rules or other written documentation during new employee orientation.
2. factory maintains disciplinary action records in workers' personnel files instead of keeping in separate files.
3. factory cancels and eliminates disciplinary procedures include monetary fines or deductions as a form of disciplinary action.

Planned completion date

12/18/18

Company Action Plan Update

1. factory provides employees a copy of the workplace rules or other written documentation during new employee orientation (completed)
2. factory maintains disciplinary action records in workers' personnel files instead of keeping in separate files. (completed)
3. factory cancels and eliminates disciplinary procedures include monetary fines or deductions as a form of disciplinary action. (completed)

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The grievance system does not include the principle of non-retaliation against workers who raise concerns. [ER.25.3]
2. The factory keeps no grievance records. Based on interviews with workers and management, there have been a few grievances in

recent years, and management handled them verbally or by meeting with employees. [ER.2, ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 & ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory includes the principle of non-retaliation against workers who raise concerns in grievance policy and procedures. 2. factory set up policy and procedures in maintaining and keeping grievance records. Training on grievance system will be provided to management, supervisors and workers.

Planned completion date

03/19/19

Company Action Plan Update

1. factory includes the principle of non-retaliation against workers who raise concerns in grievance policy and procedures (completed) 2. factory set up policy and procedures in maintaining and keeping grievance records. Training on grievance system will be provided to management, supervisors and workers (completed)

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has written lockout-tagout (LOTO) policies and procedures, but no list of equipment or machines that require LOTO procedures. [HSE.14.3]

2. There are no procedures for managing confined spaces or a list of confined spaces in the factory. [ER.31, HSE.14]

3. The factory has not asked a qualified third-party to test the occupational disease hazards in the last 12 months. [HSE.1, HSE.2]

4. The factory production buildings were completed in 2011, but have not had a pre-assessment of occupational disease hazards, an assessment of the effects of occupational disease hazards, or an assessment of current conditions of occupational disease hazards. [HSE.1]

5. The factory has no guidance documents for external contractors or service providers concerning health and safety. [ER.31.1]

Local Law or Code Requirement

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Articles 17 and 18; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20. FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.2 & HSE.14)

Recommendations for Immediate Action

1. Properly implement the factory LOTO system

2. Contract a qualified company to conduct test of occupational disease hazard factors and post the test report in the relevant workshop.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory implements LOTO system. Policy and procedures on LOTO system will be set up. 2. Policy and procedures are set up on managing confined spaces safety in the factory. 3. Factory contracts a qualified company to conduct test of occupational disease hazard factors and post the test report in the relevant workshop. 4. Factory will conduct assessment of occupational disease hazards, an assessment on the impact of occupational disease hazards, or an assessment on current conditions of occupational disease hazards. 5. Factory will establish guidance documents for external contractors or service providers regarding health and safety requirement.

Planned completion date

03/19/19

Company Action Plan Update

1. Factory implements LOTO system. Policy and procedures on LOTO system will be set up (completed) 2. Policy and procedures are set up on managing confined spaces safety in the factory (completed)

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The fire alarm system is not centralized, nor does it have a backup battery. [HSE.5.1]
2. There are four button machines in the factory; none of their transmission belts have complete pulley guards. [HSE.14.1]
3. The fire brigade does not have the appropriate personal protective equipment (PPE), such as a breathing apparatus, to fight fires. [HSE.6.1]
4. The factory does not track or conduct statistical analyses of worker illnesses. [HSE.3.2]
5. The factory has no Material Safety Data Sheets (MSDS) for chemicals, including printing oil and solvents used in the printing workshop. [HSE.10.1]
6. Since the factory does not have the MSDS for their chemicals, the Personal Protective Equipment is based on the management's experience rather the specific hazards of the chemicals. [HSE.7]
7. The factory has not marked traffic lanes or walk paths on the factory premises. [HSE.5.1]

Local Law or Code Requirement

Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6; Regulation of Chemical Safety Usage in Workplace, Article 12. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.3, HSE.5, HSE.6, HSE.10 & HSE.14)

Recommendations for Immediate Action

1. Install a centralized, battery-powered fire alarm system in the factory.
2. Equip the transmission belts of all button machines with complete pulley guards.
3. Provide the appropriate PPE for the fire brigade.
4. Conduct statistical analyses for worker illnesses.
5. Obtain and post Material Safety Data Sheets (MSDS) for chemicals used in printing workshop.
6. Mark traffic lanes and walk paths on the factory premises.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory set up plan in Installing a centralized or battery-powered fire alarm system in the factory 2. Factory installs transmission belts of all button machines with pulley guards. 3. Factory provides appropriate PPE for the in- house fire brigade. Training on how to use the PPE properly also be provided by the Fire department or qualified person. 4. Factory conducts statistical analyses on worker illnesses to investigate any common injuries to reduce work injuries in the factory. 5. Factory reach out to chemical suppliers, obtain and post Material Safety Data Sheets (MSDS) for chemicals being used in printing workshop. 6. Based on the MSDS of chemicals, factory determines the use of Personal Protective Equipment to eliminate specific hazards of the chemicals. 7. Factory marks emergency evacuation path and walk paths at the factory premises to ensure emergency evacuation will be safe.

Planned completion date

12/18/18

Company Action Plan Update

1. Factory set up plan in Installing a centralized or battery-powered fire alarm system in the factory (completed) 2. Factory installs transmission belts of all button machines with pulley guards (completed) 7. Factory marks emergency evacuation path and walk paths at the factory premises to ensure emergency evacuation will be safe (completed)

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory only provided an occupational health examination for one cutting worker, for exposure to cotton dust, and has not provided occupational health examinations for approximately four printing workers who use printing oil, and four embroidering workers exposed to loud noise. [HSE.1]
2. The factory has no established procedure for canteen management to reserve food samples, therefore currently the factory does not reserve food samples. [HSE.22.1]
3. Although the factory provides kitchen workers with hairnets, face masks, and training on their importance, the workers do not wear either while preparing and serving food. [HSE.22.1]
4. Individual workstations are not adjustable to fit individual workers. The factory takes no proactive steps to reduce repetitive-motion stress or injuries, including backs on chairs for sitting workers, anti-fatigue mats for standing workers, or lifting belts for workers lift goods. [HSE.17.1]

Local Law or Code Requirement

The Food Safety Operation Specifications for Catering Service, Article 7.9.2; Law of the China on the Food Safety, Article 27; China Law of Prevention and Control of Occupational Diseases, Article 36. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.17 & HSE.22)

Recommendations for Immediate Action

1. Provide occupational health examinations for all relevant workers. Conduct noise level measurements in the embroidery areas, and provide necessary hearing protection.
2. Establish a procedure for canteen management to store food samples according to legal requirements, in special refrigeration equipment, if more than 48 hours, no less than 125g.
3. Require kitchen workers to wear hairnets and face masks while serving and preparing food.
4. Ensure individual workstations are adjustable to fit individual workers and provide chairs with seat backs for sitting workers and anti-fatigue mats for standing workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory provides occupational health examination for workers such as printing workers who use printing oil, and embroidering

workers who are exposed to loud noise. Factory will conduct noise level measurements in the embroidery areas, and provide necessary hearing protection. 2. factory establish policy/procedure for canteen management to reserve food samples in accordance with the legal requirement. 3. factory is setting up policy/procedures and provide training to kitchen workers ensuring workers are using hairnets, face masks while preparing and serving food to improve hygienic condition. 4. factory communicates with workers and improve workstations ergonomically to fit in workers' need. Factory will set up plan and take steps to reduce repetitive-motion stress or injuries, including backs on chairs for sitting workers, anti-fatigue mats for standing workers, or lifting belts for workers lift goods.

Planned completion date

12/18/18

Company Action Plan Update

3. factory is setting up policy/procedures and provide training to kitchen workers ensuring workers are using hairnets, face masks while preparing and serving food to improve hygienic condition (completed)

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The environmental impact assessment does not include the embroidering or printing processes. Factory management has not updated the environmental impact assessment document to include these departments, formed in 2017. [HSE.1, HSE.4]
2. The factory does not dispose of waste chemical containers in the printing workshop through an authorized handler. [HSE.1, HSE.4]
3. The factory does not have secondary containers for chemicals in printing workshop where chemicals are being used, and does not equip spill kits in chemical storage area where chemicals are being stored. [HSE.10.1]

Local Law or Code Requirement

China Environmental Impact Assessment Law, Article 24; Regulation for Safety of Dangerous Chemical, Article 20; China Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 57. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4 & HSE.10)

Recommendations for Immediate Action

1. Update environmental impact assessment document to include embroidering and printing processes.
2. Dispose of waste chemical containers in printing workshop through an authorized handler.
3. Provide secondary containers for chemicals in printing workshop.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory communicate to the related governmental department to ensure the environmental impact assessment include the embroidering and printing processes. Factory management will update the environmental impact assessment document to include printing/embroidery departments 2.Factory disposes waste chemical containers in the printing workshop through a governmental authorized handler. Disposal record will be maintained. 3.factory installs secondary containers for chemicals in printing workshop where chemicals are being used, and provide spill kits in chemical storage area where chemicals are being stored.

Planned completion date

12/18/18

Company Action Plan Update

2.Factory disposes waste chemical containers in the printing workshop through a governmental authorized handler. Disposal record will be maintained (completed) 3.factory installs secondary containers for chemicals in printing workshop where chemicals are

being used, and provide spill kits in chemical storage area where chemicals are being stored (completed)

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory has no review-related policies or procedures for Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; Environmental Protection; or Health & Safety. Additionally, they have conducted no management or internal review to ensure policies and procedures are updated according to local laws and the FLA Workplace Code and Benchmarks. [ER.1, ER.30.2, ER.31.1]

2. The factory has not formally defined the person(s) with ultimate accountability in the factory, or for any employment functions. [ER.1]

3. There is no management sign-off on the factory's policies and procedures. [ER.1.2]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. factory is setting up policy in regularly reviewing related policies or procedures for Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; Environmental Protection; or Health & Safety. Factory will conduct management/internal review to ensure policies and procedures are updated according to local laws and the FLA Workplace Code and Benchmarks. 2. The factory formally define the person(s) with ultimate accountability in the factory, or for any employment functions. 3. Senior management sign-off on the factory's policies and procedures for implementation.

Planned completion date

03/19/19

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. There is no orientation training for workers regarding Recruiting, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations or the Grievance System. [ER.1, ER.15.1]

2. The factory provides no specific training to relevant supervisors regarding Termination & Retrenchment or Industrial Relations. [ER.17]

3. Employees receive no ongoing training for Recruitment, Hiring & Personnel Development; Industrial Relations; Grievance System; Workplace Conduct & Discipline; or Termination & Retrenchment. [ER.1, ER.15.2]

4. The factory does not train workers in proper lifting techniques. [HSE.17.2]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. orientation training is provided to new hire regarding Recruiting, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations and Grievance System 2. specific training is provided to supervisors regarding Termination & Retrenchment and Industrial Relations. 3.ongoing and regular training is provided to employees on Recruitment, Hiring & Personnel Development; Industrial Relations; Grievance System; Workplace Conduct & Discipline; and termination & Retrenchment. 4.Factory will provide training to related workers on proper lifting techniques to prevent work injuries. Training policy and procedures for workers and supervisors will be set up by CSR team and HR personnel.

Planned completion date

03/19/19

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory has no established procedures to request or receive workers' feedback regarding the creation, implementation, or updating of its policies and procedures for Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment; Environmental Protection; and Health & Safety. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1, ER.25]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

-Factory establish policies and procedures integrating workers' feedback regarding establishment, implementation, and updating of its policies and procedures on Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment; Environmental Protection; and Health & Safety. - Workers are systematically integrated and consulted in decision-making processes. Related Training and consultation on the above listed topics will be provided to workers.

Planned completion date

03/19/19

FINDING NO.15

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory provides two free meals a day.

COMPANY ACTION PLANS

Action Plan no 1.

Description

factory will keep providing free meals to workers as employees' benefit

Company Action Plan Update

factory will keep providing free meals to workers as employees' benefit