



COMPANIES: Herff Jones Inc

COUNTRY: China

ASSESSMENT DATE: 12/17/18

ASSESSOR: Openview

PRODUCTS: Accessories [items, such as handbag clasps, that are affixed to other products]

NUMBER OF
WORKERS:

FLA Comments

This report was submitted to the FLA and the FLA affiliated company by the assessor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the risks and noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to the FLA.

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 not hired any disabled workers, which is in 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 the local law, this practice carries the risk of discrimination based on FLA Workplace Code and Benchmarks. [ER.3.1, ND.2.1]
2. The job application forms include questions regarding marital status, political status, nationality, and household, which may lead to discrimination during the recruitment process. [ND.2.1, ND.4.1]
3. The factory has not created written job descriptions for any of the positions. [ER.1.1]
4. The factory does not maintain the personnel files and relevant employment information for contingent workers. According to management and employees' interviews, the factory has hired a maximum of 10 contingent workers for one month in the past 12 months and no contingent workers work in the factory during assessment. [ER.11.5]
5. The factory has not updated the address on its Business License in time. The factory was founded in June 2011 and moved to its current location in December 2018. However, the new Business License is in application process.

Local Law or Code Requirement

Enterprises Legal Representative Registration Management Regulation of the People's Republic of China, Article 17; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.11, ER.28, ER.29, and ER.30; Non-discrimination Benchmarks ND.2 and ND.4)

Recommendations for Immediate Action

1. Remove discriminatory questions regarding marital status, political status, nationality, and household from the job application form.
2. Maintain the personnel files and relevant employment information for contingent workers.
3. Obtain the updated Business License in time.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. In November 2018, the factory provided 5 out of 12 (41.7%) employees with work-related injury, pension, unemployment, medical, and maternity insurances. [ER.22.1, C.10.1]

2. The contribution base for the five types of social insurances are not in line with legal requirements. The contribution for the five types of social insurances should be based on an employee's actual monthly wage in the previous year (employees' actual wage range is between CNY 3,700/ USD 537 to CNY 4,200/ USD 609 per month). However, the factory only contributes to the five types of insurances based on the local minimum contribution base, which is CNY 2,906/ USD 450 per month before July 2018 and CNY 3,100/ USD 422 per month afterwards. [ER.22.1, C.10.1]
3. The factory does not pay into the Housing Provident Fund for any employees. [ER.22.1, C.1, C.10.1]
4. Personal income tax deduction is not available on the payroll or on employees' pay stubs. Interviewed workers and management stated that they do not pay the personal income tax. However, approximately 90% of employees' total wages are more than CNY 3,500/ USD 508 per month. Employees who make more than this amount are required to pay the personal income tax. Remark: The personal income tax threshold increased to CNY 5,000/ USD 726 per month since October 2018, and all employees' total wages were less than this threshold in October and November 2018. [C.1, C.10.1]
5. The factory does not have a written procedure to regulate the legally required paid leaves e.g. public holidays, annual leave, sick leave, maternity leave, paternity leave, marriage leave, funeral leave, prenatal check-up leave, and breastfeeding leave. None of the interviewed employees were aware of these legal benefits and none of them took legal required paid leave in the past 12 months. Factory management stated that they do not provide these legally required paid leaves for employees. Employees take leave on public holidays, however, the factory does not pay for it. [ER.22.1, HOW.10, HOW.11, HOW.16]

Local Law or Code Requirement

Labor Law of the People's Republic of China, Articles 72 and 73; Social Insurance Law of the People's Republic of China, Articles 12, 23, 35, 44 and 53; Regulations on Management of Housing Provident Fund, Articles 3, 15 and 16; Law of the People's Republic of China on Income Tax, Articles 2 and 3; Regulation of Guangdong Province on the Payment of Wages, Articles 19; FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1 and C.10; Hours of Work Benchmarks HOW.10, HOW.11, and HOW.16)

Recommendations for Immediate Action

1. Provide all eligible employees with five types of social insurances.
2. Pay the personal income tax as legally required.
3. Provide legally required paid leaves including public holidays, annual leave, sick leave, maternity leave, paternity leave, marriage leave, funeral leave, prenatal check-up leave, and breastfeeding leave for employees.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory does not pay wages to resigned workers in a timely manner. The factory should pay these wages on the workers' last working day as legally required, however, it pays them on the regular payday. For example, one worker's last working day at the factory was August 27, 2018 and the regular payday is established on the 10th of the end of the pay period; the factory paid this worker his final wages on September 10, 2018. [C.1, C.4]
2. According to employment contract and payrolls, and management and employee interviews, the production employees are paid on a piece rate basis. However, the factory only pays 100% of piece rate to the overtime working, without additional overtime pay. All interviewed employees have no awareness about the overtime premium rate. [C.7.1, C.8]
3. There is no mechanism to guarantee all production employees are paid with local minimum wage in factory. All production employees are paid on a piece rate basis; however, the factory does not develop a comparison system between monthly rate i.e. local minimum wage and piece rate. No violation is found on sampled employees' wages for the past 12 months. [C.2]
4. The legally required items like payment date, normal working hours, overtime working hours, and overtime wage are not included in the pay stubs. [C.13.3, C.13.4]
5. The factory does not record and maintain the payroll of contingent workers to verify the compliance on Compensation. [ER.2.1, C.2, C.7.1]

Local Law or Code Requirement

Regulation of Guangdong Province on the Payment of Wages, Articles 4, 13, 16, 17, 20 and 21; Labor Law of the People's Republic of China, Article 48; FLA Workplace Code (Employment Relationship Benchmark ER.2; Compensation Benchmarks C.1, C.2, C.4, C.7, C.8, and C.13)

Recommendations for Immediate Action

1. Pay resigned workers on the last working day.
2. Compensate overtime hours for all employees per legal requirements.
3. Ensure to pay all employees including contingent workers with local minimum wage.
4. Include legally required items such as payment date, normal working hours, overtime working hours, and overtime wage in the pay stubs.
5. Record and maintain the payroll of contingent workers.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. According to the time records for the period from December 2017 to November 2018 and worker interviews, the monthly overtime for 80% of workers exceeded the legal limit of 36 hours per month in all reviewed months, with a maximum of 99 monthly overtime hours in January 2018. [HOW.1.1, HOW.8.1]
2. The time recording system is inaccurate and incomplete:
 - a) The factory moved to current location in December 2018, however, the factory does not request the employees to record working hours by fingerprinting in the time recorder for December 2018. The factory did not provide a time record for December 2018 for assessors' review.
 - b) The factory uses a fingerprint time recorder system to record working hours. Employees only clock in and out for a total of two times per day including the overtime working hours. However, the time records for about 20% of employees are incomplete for the period from December 2017 to November 2018, i.e. missing clock in or out; and no supplement time records are maintained and provided for assessors' review. Factory management and interviewed employees stated that all production employees are paid by piece rate basis and the clocking in and out is not strictly implemented.
 - c) The factory does not record and maintain the working hours of contingent workers to verify the compliance on Hours of Work. [ER.2.1, ER.23.2, ER.23.3, ER.23.5]
3. The factory production plan always includes overtime (e.g. planning for 54 working hours including 40 regular hours and 14 hours of overtime per week) as a general practice. [HOW.8.1]
4. The factory does not conduct regular analysis of hours of work in their workplaces with a view to progressively reducing excessive hours of work. [HOW.1.2]
5. According to the time records for the period from December 2017 to November 2018 and worker interviews, approximately 80% of workers in the factory worked more than 60 hours per week for about 50% of weeks in January, August and October 2018, with a maximum of 68.5 hours and an average of 61.5 hours per week. [HOW.1.3]
6. According to the time records for the period from December 2017 to November 2018 and worker interviews, about 80% of workers did not receive one day off for every seven-day period on a regular basis in January, August and October 2018. The maximum consecutive working days are 20 days in January and August 2018, and the consecutive working days are 9 days in October 2018. [HOW.2]

Local Law or Code Requirement

Labor Law of the People's Republic of China, Articles 38 and 41; Guangdong Labor and Social Security Monitoring Regulation, Article 14; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23; Hours of Work Benchmarks HOW.1, HOW.2, and HOW.8)

Recommendations for Immediate Action

1. Ensure overtime working hours do not exceed 36 hours per month.
2. Maintain accurate and complete time records for all employees including contingent workers.
3. Schedule the production plan based on 40 hours per week.
4. Ensure that workers do not work more than 60 hours per week.
5. Provide employees with at least one day of rest in every seven-day period.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory has not established policies and procedures on Industrial Relations. [ER.25]
2. FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). According to the International Labor Organization (ILO), many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants

the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements. [FOA.2]

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.2; Employment Relationship Benchmark ER.25)

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The regulation for hours of work provides a fine of CNY 50 (USD7.25) to CNY 100 (USD15) for each time a worker forgets doing their time records. The factory does not implement this rule, according to document review, management and employees' interviews. [H/A.2]
2. The factory does not maintain any records of disciplinary actions. [ER.2.1, ER.27.3.4]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.27; Harassment or Abuse Benchmark H/A.2)

Recommendations for Immediate Action

1. Cease the policy on monetary fines as a form of workplace discipline.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory does not maintain any documentation in relation to the grievance processes, as all grievances are raised verbally. [ER.2.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2)

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have a written policy regarding Environmental Protection. [ER.31]
2. There are no written procedures for managing environmental impacts within the factory or for managing its environmental impact to its surroundings. [ER.31]
3. The factory cannot provide the Environmental Impact Registration and Approval for review. The factory was initially established in 2011 and moved to current location in December 2018. [ER.2.1, HSE.1, HSE.4]
4. The factory does not identify whether its on-site operations generate any negative environmental impacts. [ER.31]
5. The factory does not have written procedure on waste management. [ER.31]
6. The factory has not segregated the solid waste collection to waste streams into industrial waste and living waste as required by law. [HSE.1]
7. The factory did not provide evidence to show its efforts at reducing negative environment impacts. [HSE.1]

Local Law or Code Requirement

Environmental Impact Assessment Law of the People's Republic of China, Article 16; Law of the People's Republic of China on Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 42; FLA Workplace Code (Employment Relationship Benchmarks ER.2

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory (including production area and office area) is located on the first floor of one 6-story dormitory building, accounting for about 1/3 of the first floor. There are some workers of other factories living in the dormitory building, however, none of the workers from this factory lived in the dormitories. [HSE.1, HSE.26]
2. The fire alarm system does not have a backup battery. [HSE.5.1, HSE.6.1]
3. The factory does not install exit signs or emergency lights for safety exits, and the evacuation aisle behind the main workshop is not clearly marked with evacuation signs. [HSE.5.1, HSE.6.1]
4. The factory does not check or test the fire alarm to confirm it is functioning. [HSE.5.3]
5. The factory does not inspect fire extinguishers and hydrants periodically. [HSE.5.1, HSE.6.1]
6. All the fire extinguishers are placed on the floor directly and are not clearly marked. [HSE.5.1]
7. There is no evacuation plot plan posted in the factory. [HSE.5]
8. The factory does not keep written records of fire evacuation drills they conducted before although they provide some photos for review. [ER.2.1, HSE.1, HSE.5.3]
9. The factory management does not coordinate the fire safety concerns/ risks with the management of other companies using the same building. [HSE.1]

Local Law or Code Requirement

Code of Design on Building Fire Protection and Prevention, Articles 3.3.5, 10.3.1, and 10.3.5; Fire Prevention Law of the People's Republic of China, Article 16; Regulation on Fire-safety Management for State Organs, Organizations, Enterprises and Institutional Organizations, Article 26; Code for Design of Extinguisher Distribution in Buildings, Article 5.1.3; FLA Workplace Code (Employment Relationship Benchmark ER.2; Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, and HSE.26)

Recommendations for Immediate Action

1. Separate the production area from the dormitory building.
2. Install backup battery power for fire alarm system in the factory.
3. Install exit signs and emergency lights above all the safety exits and clearly mark evacuation signs along the evacuation aisles.
4. Check and test the fire alarm periodically to ensure it is well functioning.
5. Inspect fire extinguishers and hydrants periodically to ensure they are in good condition.
6. Post the evacuation plot plan in a visible place inside the factory.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have a qualified operator for the pressure vessel or qualified electrician. [HSE.1, HSE.4]
2. The factory does not have a registration or period inspection certificate for the pressure vessel used in the factory. [HSE.1, HSE.4]
3. The factory does not have safety instructions posted near the buttoning machines, and there are no Standard Operating Procedures (SOPs) available for the pressure vessel and knitting machines. (Remark: The factory just moved to its current location and the pressure vessel and knitting machines have not been installed completely.) [HSE.14]
4. Three workers using a chemical (glue) were wearing dust-proof masks instead of masks with active carbon filter. [HSE.7]
5. The factory does not have MSDS for the chemicals (glue, lubricant oil, Softener agent) used in the factory. [HSE.10.1]
6. The factory does not clearly label small chemical containers. As the factory just moved to its current location, the chemical (Softener agent) is not properly stored. The factory also does not provide a secondary container for the chemical. [HSE.9.1]

Local Law or Code Requirement

Special Appliance Quality Safety Monitoring Regulation, Articles 25, 28, and 38; Law of the People's Republic of China on Work Safety, Article 42; Regulation of Chemical Safety Usage in Workplace, Articles 12 and 19; Regulation for Safety of Dangerous Chemical, Article 20; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.7, HSE.9, HSE.10 and HSE.14)

Recommendations for Immediate Action

1. Assign a qualified operator of the pressure vessel and an electrician.
2. Register the pressure vessel with the local authority and obtain the regular inspection report.
3. Establish SOP or safety instructions for high risk production machines, e.g. pressure vessel.
4. Provide appropriate PPE (e.g. mask with active carbon filter) for workers who are using chemicals.
5. Post safety labels on chemical containers, provide workers with MSDS for chemicals, and equip secondary containers for chemicals.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory cannot provide the Fire Safety Permit or the Report on Inspection and Acceptance of Completed Construction Project for the factory building. [HSE.1, HSE.4]
2. The factory has not performed any type of the occupational health assessment as the factory was initially founded in 2011 and moved to current location in December 2018. [HSE.1, HSE.4]
3. The factory has no full-time or part-time qualified safety management personnel responsible for health and safety issues in the factory. [HSE.1, HSE.4]
4. The factory has not conducted a fire and risk assessment. [HSE.1, HSE.5]
5. The factory does not keep records of work-related injuries, fatalities, accidents and incidents for at least 12 months, including the investigation and corrective actions. [HSE.3.2]
6. The factory does not track and conduct statistical analysis for workers' illnesses. [HSE.3.2]

Local Law or Code Requirement

Fire Prevention Law of the People's Republic of China, Articles 11 and 13; Construction Law of the People's Republic of China, Article 61; Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 18; Safety Production Law, Article 21; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.4, and HSE.5)

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

1. The factory has not formally defined in writing the person(s) accountable for any of the Employment Functions. Furthermore, it has not formally defined the person(s) with ultimate accountability within the factory. [ER.1.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory has not established policies and procedures on Personnel Development and Industrial Relations. [ER.1.1, ER.28.1, ER.29.1, ER.30.1]
2. The factory does not have written policies and procedures outlining the process for performance reviews; therefore, the factory does not conduct regular performance reviews for any employees. [ER.29.1]
3. The factory does not have a written set of workplace rules and regulations. [ER.1.1, ER.27.1]
4. The disciplinary procedure does not include the requirement to record all warnings and disciplinary actions and filing requirements. In addition, this procedure also does not include the workers' right to have a third party witness present during imposition of the disciplinary action. [ER.27.2.2, ER.27.4]
5. The procedure for managing termination and retrenchment does not include the methods for calculating final payouts, in accordance

with legal requirements. [ER.19.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.27, ER.28, ER.29, and ER.30)

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have a written policy regarding Health & Safety. [ER.31]
2. The factory does not have lockout-tagout procedures including a list of equipment and/or machines that require lockout-tagout in the factory. [HSE.14.1]
3. The factory does not have procedures or steps for workers to raise health and safety concerns, protection against retaliation for workers who raise health and safety concerns. [ER.31.2.6]
4. Emergency evacuation procedures do not include steps for ensuring that walkways, aisles and emergency exits are free from obstruction, steps on how to ensure that all visitors, contractors, service providers safely evacuated, steps on how to ensure that all special categories of workers are safely evacuated; there is no list of the firefighting equipment in the factory, a list and contact information of external authorities to call/inform in case of a fire. [HSE.5.1]
5. The factory does not have procedures concerning first aid and emergency medical response. In addition, the factory does not have a list of workers responsible for responding to emergencies (with their qualifications/certifications-names and/or titles), and what workers should do in case of injury, and steps for reporting death, injury, illness, and other health and safety issues. [HSE.6.2]
6. The factory does not have a procedure to protect maintenance workers from the risks related to their jobs. [HSE.1]
7. The factory does not have a procedure and does not take proactive steps to reduce repetitive-motion stress or injuries to workers. [HSE.17.1]
8. The factory does not have guidance documents for external contractors/service providers concerning health and safety. [ER.31, HSE.14, HSE.17.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.5.1, HSE.6.2, HSE.14 and HSE.17)

FINDING NO.15

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not maintain any records for orientation training for new workers. As per employees' interview, they do not have any awareness on any of the Employment Functions except Grievance System. [ER.2.1, ER.15.1]
2. Workers do not receive written documentation that substantiates all topics covered during orientation training, including a copy of the workplace rules. [ER.15.1, ER.15.3]
3. The specific training for managers and supervisors is missing across all Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment, Health & Safety, and Environmental Protection. [ER.1.2, ER.17.1, ER.17.2, ER.17.3, ER.27.2]
4. The ongoing training for employees is missing across all Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment, Health & Safety, and Environmental Protection. [ER.1.2, ER.15.2, ER.28.1]
5. The factory does not provide training on the Workplace Conduct & Discipline to the relevant HR personnel and administrative staff. [ER.1.2, ER.27.2]
6. The training on Health and Safety is incomplete:

- a) Workers are not trained in proper lifting techniques [HSE.17.2].
- b) Workers are not trained on procedures concerning the provision of first aid. [HSE.6.2]
- c) Workers using chemicals are not trained on chemical usage. [HSE.9.2]
- d) The factory does not provide training on PPE usage to workers. [HSE.8]
- e) The factory does not conduct specific workplace safety training to designated workers with special responsibilities. [HSE.9.2, HSE.14.2]
- f) Workers with maintenance responsibilities do not receive specific training on maintenance safety. [HSE.14.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15, ER.17, ER.27, and ER.28; Health, Safety & Environment Benchmarks HSE.6, HSE.8, HSE.9, and HSE.14)

FINDING NO.16

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not effectively or comprehensively communicate its policies and procedures and possible updates to the general workforce and management staff for any of the Employment Functions. The methods that the factory uses to communicate include an insufficient introduction to factory rules to workers during orientation training and an incomplete posting of existing policies and procedures (the Human Resources, Termination, Grievance System, and Environmental Protection policies and procedures are not posted). None of the supervisors or workers interviewed by assessors had a strong understanding of the factory's policies and procedures. Furthermore, the factory has not developed a plan to communicate future updates or legal revisions to the general workforce and management staff. [ER.1.2, ER.16.1, ER.25.1, ER.27.3, ER.29.1.1, ER.30.2, C.17.1.5]
2. The factory does not make all legally required health and safety documents available to workers and management. [HSE.2]
3. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input and/or feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1.3, ER.25.2]

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; Health, Safety & Environment Benchmark HSE.2)

FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not regularly review the policies and procedures on following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; Environmental Protection, and Health & Safety. [ER.1.3, ER.29.1.1, ER.30.2]
2. The factory does not update the policies and procedures according to changes in local laws and the FLA Code for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; Environmental Protection, and Health & Safety. [ER.1.3, ER.29.1.1, ER.30.2]

Local Law or Code Requirement

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

FINDING NO.18

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory provides the following monthly bonus and allowance for employees: full attendance bonus CNY 80/ USD 11.6, housing allowance CNY 100/ USD 14.5, and meals allowance CNY 500/ USD 72.5.