



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: Colosseum Athletics Corporation
COUNTRY: China
ASSESSMENT DATE: 07/15/19
ASSESSOR: Openview
PRODUCTS: Apparel
NUMBER OF WORKERS: 150

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.

FLA Code Element	Number of Violations
Compensation	2
Hours of Work	2
Employment Relationship	4
Health, Safety, and Environment	8

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. There are no written policies and procedures to manage all working hours, overtime, and leave in both normal and exceptional circumstances. Consequently, the factory does not conduct training on or communicate the policies and procedures to the general workforce, including management staff.
2. The time recording system in the factory is inaccurate: the factory uses a manual time recording system to record working hours. The manual time system only records workers' total working hours instead of accurate in-and out times. In addition, workers do not sign the manual time records to confirm their attendance. Thus, working hours, such as weekly working hours and monthly overtime hours, from September 2014 to September 2015 could not be effectively verified.
3. A review of the manual time records for the period from September 2014 to September 2015 showed that about 60% of production workers' weekly working hours exceeded 60 hours in about 80% of weeks with a maximum of 91 hours in a week in July 2015.
4. A review of the manual time records for the period from September 2014 to September 2015 showed that about 60% of workers did not regularly receive one day off for every seven-day period every month for the past 12 months. Workers worked 11 to 14 consecutive days for once or twice in a month from March to June 2019, January 2019, from July to November 2018 respectively, with a maximum of 14 consecutive days from March 18 to March 31, 2019. No compensatory day off was provided to workers in the next day period.
5. A review of time records for the period from September 2014 to September 2015 showed that the daily overtime hours exceeded 3 hours per day for about 30% of workers, with a maximum of 5 hours per day.
6. A review of time records for the period from September 2014 to September 2015 showed that the monthly overtime hours exceeded 36 hours for 90% of workers, with a maximum of 205 hours in July 2015.

Local Law or Code Requirement

China Labor Law, Article 41; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.17, and ER.23; Hours of Work Benchmarks HOW.1 and HOW.2)

Root Causes

1. Implement an accurate and efficient time recording system.
2. Ensure workers do not work more than 60 hours a week.
3. Ensure employees have at least one day off in every seven-day period.
4. Ensure workers do not work more than the legal limit of 3 hours of overtime per day on weekdays.
5. Ensure workers do not work more than the legal limit of 36 hours of overtime per month.
6. FLA affiliate Company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
 - a. How to provide better order forecasts to the factories;
 - b. Possible workshops/consultancy for the factory on how to improve productivity/quality;
 - c. Clear guidelines on how to extend shipment deadlines in case of contingencies;
 - d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
 - e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
 - f. Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. 1. The factory will write a policy and procedure for managing OT hours for each worker and each department. The policy will be communicated to workers on the notice board and during the annual training on factory policy/procedures. 2. The factory is working with a service provider to correct time recording issues and to require the worker signature on all records. 3. The service provider is helping the factory use a wage and working hour date management system to track and analyze individual worker wages and hours. We have set the first goal at 72 hours/week during the peak season and 66 hours/week during the low season. The final goal, which is set for the end of 2017, will be to get working hours under or at legal and CoC standards. The factory will also implement an overtime application form.

Company Action Plan Update

12/08/16 : 10/27/2016: Factory has made a commitment and created a policy that daily overtime will not exceed 3 hours per day. This will be implemented starting Nov 1, 2016.

11/15/16 : 10/19/2016: 2. The factory has been recording attendance accurately with starting and ending time, and has been distinguishing between normal working hours and normal OT, weekend OT, and holiday OT since May 30, 2016. 3. The factory is continuing to analyze hours and wages with the help of the service provider. Average hours per week in July 2016, which is a peak production month, were 68.1.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Partially Remediated) The factory has established the policies and procedures related to working hours and provides training to the general workforce, including management staff. However, the policies and procedures do not include managing all working hours, overtime, or leave in exceptional circumstances. [ER.1.1]
2. (Remediated) The factory has applied the swipe card attendance system to record working hours. Workers swipe in and out each time when on and off duty for both normal working hours and overtime hours.
3. (Not Remediated) A review of the time records for the period from July 2018 to July 14, 2019 shows that all production workers' weekly working hours exceeded 60 in about 80% of weeks during the reviewed period, with a maximum of 65 hours in 1 out of 4 weeks in October 2018, March and April 2019. [HOW.1.3]
4. (Not Remediated) A review of the time records for the period from July 2018 to July 14, 2019 shows that all production workers did not

regularly receive one day off in every seven-day period in all reviewed months except December 2018 and February 2019, with a maximum of 14 consecutive days from March 18 to March 31, 2019. [HOW.2]

5. (Remediated) A review of the time records for the period from July 2018 to July 14, 2019 shows that all production workers' daily overtime did not exceed 3 hours per weekday.

6. (Not Remediated) A review of the time records for the period from July 2018 to July 14, 2019 shows that all production workers' monthly overtime exceeded 36 hours in all reviewed months except February 2019, with a maximum of 100 hours in June 2019. [HOW.1.1]

Local Law or Code Requirement

The China Labor Law, Article 41. FLA Workplace Code (Employment Relationship Benchmark ER.1, Hours of Work Benchmarks HOW.1 and HOW.2)

Recommendations for Immediate Action

1. Control total working hours do not exceed 60 hours per week.
2. Provide one day off in every seven-day period.
3. Ensure overtime hours do not exceed 36 hours per month.

Action Plan no 2.

Description

1. The factory will update their policy and procedure to include language surrounding managing all working hours, overtime, and leave in exceptional circumstances and send a copy to Colosseum staff by October 10th, 2019.

Action Plan no 3.

Description

2. No action needed

Company Action Plan Update

2. The factory has applied the swipe card attendance system to record working hours. Workers swipe in and out each time when on and off duty for both normal working hours and overtime hours.

Action Plan no 4.

Description

3. The factory tries to improve production planning by working together with the line leaders on upcoming POs, productivity issues, and possible areas for delay. While this used to be done every week, the factory has increased it to every few days in order to adjust more quickly to any issues that might arise. They will continue to work on better planning to further decrease hours and increase rest days. Colosseum staff will review the overtime after S20 production is completed in November 2019.

Action Plan no 5.

Description

4. The factory tries to improve production planning by working together with the line leaders on upcoming POs, productivity issues, and possible areas for delay. While this used to be done every week, the factory has increased it to every few days in order to adjust more quickly to any issues that might arise. They will continue to work on better planning to further decrease hours and increase rest days. Colosseum staff will review the overtime after S20 production is completed in November 2019.

Action Plan no 6.

Description

5. No action needed

Company Action Plan Update

5. A review of the time records for the period from July 2018 to July 14, 2019 shows that all production workers' daily overtime did not exceed 3 hours per weekday.

Action Plan no 7.

Description

6. The factory tries to improve production planning by working together with the line leaders on upcoming POs, productivity issues, and possible areas for delay. While this used to be done every week, the factory has increased it to every few days in order to adjust more quickly to any issues that might arise. They will continue to work on better planning to further decrease hours and increase rest days. Colosseum staff will review the overtime after S20 production is completed in November 2019.

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory paid an insufficient overtime premium for about 50% employees. The employees in the factory were paid basic wage plus performance wage, which was calculated from the rate of completed piecework. The factory does not have a system to guarantee that every employee was paid at least the legal overtime premium. For example, one employee with full attendance worked 101 hours of overtime on weekdays and 104 hours on 8 rest days in July 2015, and the factory only paid the worker CNY 3985 (~USD 625.80) in total. However, the factory should have paid the worker at least CNY 4998.52 (~USD 785.65) according to local minimum wage standard and the legal overtime premium regulation. This finding was verified through a review of payrolls, time records from September 2014 to August 2015, management interviews, and employee interviews.

2. The factory does not include the total number of working hours and regular and overtime pay in workers' payrolls.

Local Law or Code Requirement

China Labor Law, Articles 44; FLA Workplace Code (Compensation Benchmarks C.1, C.2, C.5, C.7, and C.13; Employment Relationship Benchmarks ER.18 and ER.22)

Recommendations for Immediate Action

1. Pay all workers the full overtime wage and ensure that workers receive at least the legal minimum wage and legal overtime premium rate.

2. Add working hours and related regular and overtime pay in workers' payroll.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. 1. The factory will work with a third party service provider to look at root causes of this issue and develop solutions for improvement. The service provider will help them optimize the wage structure so that the legal wage (regular + OT) can be met, and the factory has committed to making up any differences between actual pay and legal pay. The factory will also track several KPIs related to minimum and OT wages and monthly wage gaps.

2. The factory will add total number of working hours and regular/OT pay to the workers' payrolls.

Company Action Plan Update

11/15/16 : 10/19/2016: The third party service provider is working with the factory to reduce the number of workers not meeting the legal wage gap. One issue they are tackling is working to eliminate a large bonus given out before CNY to office staff that causes

them to not meet the legal wage during the year. Another issue was that the factory never increased wages in 2016 to meet the legal increase. They said this was due to financial reasons, and because the other factories didn't increase wages either. The factory has agreed to review the wage gap at the end of December 2016 after improvements are made to determine if they're able to guarantee the wage difference to workers.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Partially Remediated) The factory has applied the hourly rate payment system. Workers are paid a basic wage plus overtime compensation, which complies with the legal requirement. However, the factory has not paid back wages for the incorrectly calculated overtime.
2. (Remediated) The current payroll includes the total number of working hours, regular wage and overtime compensation.

Action Plan no 2.

Description

1. The factory will review the payment records from before the change to hourly wages to determine the amount due to workers and Colosseum staff will review this with the factory to decide on the next steps to take.

Action Plan no 3.

Description

2. The current payroll includes the total number of working hours, regular wage and overtime compensation.

PREVIOUS FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. A review of the social insurance payments from July to September 2015 and interviews showed that the factory does not provide employees with sufficient social insurance. For example, in September 2015, only 27 employees (about 17%) were covered by work-related injury, maternity, pension, unemployment, and medical insurance. However, the factory provides commercial accidental injury insurance for all employees.
2. The contribution base for the five types of social insurance is not in line with legal requirements. The contribution should be based on an employee's average total wage for the past 12 months (about CNY 3000 to CNY 5000 per month (~USD 471.53 to ~USD 785.65)). However, the factory only contributes to the pension insurance based on CNY 2,299 (~ USD 361.35) per month.
3. The 27 workers contribute an excessive proportion to social insurance. As per local law, the total proportion employees should contribute is 10.5%, about CNY 241 (~USD37.95) based on the actual contribution base (pension: 8%; medical 2%; unemployment: 0.5%). However, the workers actually pay around 19.5%, about CNY 450 (~USD70.87) to 26.1%, about CNY 600 (~70.87 USD) , according to their differing service lengths in the factory. Workers who have just been hired pay about 26.1% of the social insurance contribution base, while workers who have been at the factory for several years pay 19.5% of the social insurance contribution base. The factory management could not explain clearly the exact proportion for each insurance type that workers contributed, and has set up this arrangement to discourage workers to be covered by the social insurance.
4. The factory does not pay into the legally required Housing Provident Fund for workers.
5. A review of leave and payroll records, factory rules, worker interviews, and management interviews revealed that the factory did not provide workers with paid annual leave, although there was an annual leave policy in place. Workers are only able to take unpaid leave and receive paid public holidays.

Local Law or Code Requirement

China Labor Law, Articles 72 and 73; Social Insurance Law of the PRC, Articles 12 and 58; Regulations on Annual Leave for Employees, Article 2; Regulations on Management of Housing Provident Fund, Article 15; Wuxi City Housing Provident Fund Deposit Management Approach, Articles 2 and 3; FLA Workplace Code (Compensation Benchmarks C.1, C.6, C.10, C.15, and C.16: Hours of Work Benchmarks HOW.11 and HOW.14)

Recommendations for Immediate Action

1. Provide workers with paid annual leave. The paid annual leave should be based on the worker's cumulative working experience (working age) and can range from 5 to 20 days depending on the working age.
2. Pay the social insurance for workers as per legal required proportion so to not discourage workers to be covered by the legally required social insurance. Factory to retroactively pay back the excessive charges to prior workers' contribution to social insurance.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will enhance the worker training on social insurance by improving new worker orientation training, adding posters, and conducting training for all workers at least once per year. The factory will calculate and analyze the cost investment needed to achieve social insurance compliance and present the findings to Colosseum for further discussion. The factory will put together a 5 year plan for increasing the % of workers covered by social insurance.
2. The factory is working with a service provider to help with wage, compensation, and hours of work. The service provider has explained the correct contribution base calculation to the payroll staff, and they will implement the change after CNY.
3. The factory is working with a service provider to help with wage, compensation, and hours of work. The service provider has explained the correct contribution percentages to the payroll staff, and they will implement the change after CNY.
4. The factory will conduct a Housing Provident Fund training for workers, to be included in the annual social insurance training, and post a notification throughout the production areas. In addition, the HPF information will be included in the worker handbook and discussed with new hires during orientation. The factory will also calculate and analyze the cost of all social insurance payments, including the HPF, and review with Colosseum to determine a payment plan with gradual improvement towards 100% registered workers.
5. The factory created a written policy and procedure for providing workers with annual leave. They also made a colorful notice that was hung on the bulletin. Training was provided to workers on Oct 30, 2015.

Company Action Plan Update

12/08/16 : 10/27/2016: The factory plans to improve worker awareness by providing additional training for workers and providing a poster with social insurance details for the notice board.

11/15/16 : 10/19/16: 3. The factory has corrected this calculation since the Jan 2016 pay period. This was confirmed by the third party service provider after reviewing social insurance statements and payroll.

03/17/16 : 1. The factory has put in place a 5 year plan for 100% compliance on social insurance, which has been approved by Colosseum. 5. The factory created a written policy and procedure for providing workers with annual leave. They also made a colorful notice that was hung on the bulletin. Training was provided to workers on Oct 30, 2015.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Not Remediated) The social insurance coverage is insufficient. 150 workers are working in the factory, and 33 of them were recruited after previously resigning and 5 of them are newly hired. The factory only provided 23 out of 112 (20.5%) eligible workers with five types of social insurance in the latest paid month of July 2019. The factory provides commercial injury insurance to 149 workers with a valid period from November 12, 2018 to November 11, 2019 and the insurance amount is CNY 500,000 (USD 72,655). [C.1]

2. (Not Remediated) The contribution base for the five types of social insurance is not in line with legal requirements. The contribution should be based on a worker's average monthly wage in the previous year, ranging from CNY 4,000 (USD 582) to CNY 5,000 (USD 727) per month. However, the factory only contributes to the social insurance based on CNY 3,030 (USD 441) per month. [C.10.1]

3. (Remediated) For 23 of 112 (20.5%) eligible workers provided with five types of social insurance, the factory also pays individual contributions. These 23 workers do not have to pay for social insurance currently.

4. (Not Remediated) The factory does not provide the legally-required Housing Provident Fund to any workers. [ER.22.1]

5. (Remediated) A review of leave and payroll records, factory rules, worker interviews, and management interviews reveals that the factory provides all workers with sufficient paid annual leave. For example, for the 2019 Chinese New Year Holiday, the factory provided all workers with 8 days of paid annual leave, which are more than the legal requirement of 5 days. (Currently, the service length of all workers are less than 10 years, and 5 days of paid annual leave should be provided as per legal requirement.)

Local Law or Code Requirement

The China Labor Law, Article 72; the Social Insurance Law, Article 60; Regulations on Management of Housing Provident Fund, Article 13. FLA Workplace Code (Compensation Benchmarks C.1 and C.10; Employment Relationship Benchmark ER.22)

Recommendations for Immediate Action

1. Provide social insurance to all eligible workers.
2. Contribute to social insurance based on worker's average monthly wage of previous year.
3. Provide all workers with legally required Housing Provident Fund.

Action Plan no 2.

Description

1. The factory already completed their annual social insurance training on March 28th and they will continue with training at orientation and once per year. They also plan to increase the % of workers covered by social insurance this year, and will provide Colosseum staff with a five year plan by Sept 16th, 2019.

Action Plan no 3.

Description

2. The actual standard states that worker salaries between 60% and 300% of the local minimum average salary number require the factory to use the workers' average salary as the base. The factory will develop a plan for gradually increasing the calculation base within 6 months.

Action Plan no 4.

Description

3. No action needed

Company Action Plan Update

3. For 23 of 112 (20.5%) eligible workers provided with five types of social insurance, the factory also pays individual contributions. These 23 workers do not have to pay for social insurance currently.

Action Plan no 5.

Description

4. The factory will cover this topic during an upcoming training and they will create a five year plan to increase their contributions to the Housing Provident fund.

Action Plan no 6.

Description

5. No action needed

Company Action Plan Update

5. A review of leave and payroll records, factory rules, worker interviews, and management interviews reveals that the factory provides all workers with sufficient paid annual leave. For example, for the 2019 Chinese New Year Holiday, the factory provided all workers with 8 days of paid annual leave, which are more than the legal requirement of 5 days. (Currently, the service length of all workers are less than 10 years, and 5 days of paid annual leave should be provided as per legal requirement.)

PREVIOUS FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The transmission belt of one air compressor is not equipped with protective covers.
2. One ladder from the sewing workshop to the rooftop was not equipped with a protective rail.
3. One powder switch box in the dormitory building was not equipped with a protective cover.
4. The factory does not track illnesses or work-related injuries in personnel files.
5. The factory does not review its Health & Safety program on a periodic basis.
6. There were several ergonomic issues:
 - a. Chairs are not adjustable;
 - b. Chairs do not have proper backrests to support the lower back;
 - c. There are no removable armrests on chairs;
 - d. There are no back supports on stools;
 - e. Workers do not receive ergonomics training.

Local Law or Code Requirement

Civil Buildings, Article 6.7.6; General Guide for Safety of Electric User, Article 6.7; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.14, and HSE.17; Employment Relationship Benchmarks ER.1 and ER.31)

Recommendations for Immediate Action

1. Install a pulley guard on the transmission belt of the gas compressor.
2. Install handrails on the ladder leading to the rooftop.
3. Install a protective cover on the powder supply box.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The machine in question was not being used any longer, and the factory has since sold it.
2. The ladder was temporary being used while the factory undergoes construction and remodeling. The factory has added a sign saying "authorized people only" while the ladder is in use.
3. The factory will order a new cover. In addition, the factory has a health and safety committee that is supposed to check on these things. The factory will provide more training to this committee, and create a checklist for all health and safety items, along with a frequency for checking (ex: once per month, every 6 months, etc.).

4. The factory will create a procedure for tracking workplace injuries and illnesses in worker files, and will generate an injury/illness report.
5. The factory will include a health and safety review in the annual HR policy/procedure review process.
6. The factory does not plan to change the chairs or stools. All workers receive the chair pads from the factory. Also, the factory will provide ergonomics training to all workers so they learn about avoiding repetitive motion injuries, using correct posture, and stretching often.

Company Action Plan Update

03/17/16 : 1. The machine in question was not being used any longer, and the factory has since sold it. 2. The ladder was temporary being used while the factory undergoes construction and remodeling. The factory has added a sign saying "authorized people only" while the ladder is in use. 3. The factory has added the cover and made a H&S checklist. There is a health and safety in charge who manages the checklist, and they have created a schedule for more H&S committee training once the construction has been completed. 4. The factory created the policy on Dec 25, 2015 and has a new illness and injury report. 5. The factory included a health and safety review in the annual HR policy/procedure review process the first week of December, 2015. 6. All workers receive the chair pads from the factory. Also, ergonomic training was conducted Oct 30, 2015. It will be on the annual training schedule.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Partially Remediated) Factory management explained that the air compressor was broken and had been disposed. Factory tour notes that the eye protective guards of about 1% of over-locking sewing machines are not used properly by sewing workers during working hours. [HSE.14.1]
2. (Not Remediated) The factory has not installed fall protection on the fixed ladder leading to the rooftop in the sewing workshop. Factory management explained that that ladder is only used by maintenance workers when doing repair or maintenance jobs on the rooftop. [HSE.14.1]
3. (Remediated) The factory has not used the dormitory building since 2015. The factory installs protective guards for all switch boxes in the production and office area.
4. (Not Remediated) The factory does not track any illnesses or work-related injuries in personnel files. Factory management explained that no work-related injuries ever happened in the factory. Assessors noted that first aid supply like Bandages have used by workers, but the management does not count this type of incident as a work-related injury. [HSE.3.2]
5. (Remediated) Document review notes that the Health & Safety Policy is reviewed regularly, and the latest version was issued on March 1, 2019.
6. (Partially Remediated) The factory provides ergonomic training to all workers. Training materials and training records are provided for review. However, there are still several ergonomic issues:
 - a) Stools of sewing workers are not adjustable or equipped with back support;
 - b) The factory does not provide anti-fatigue mats for workers working with standing position, such as cutting workers. [HSE.17.1]

Local Law or Code Requirement

The Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.3, HSE.14 and HSE.17)

Recommendations for Immediate Action

1. Re-train sewing workers to use machine guards properly during working hours.
2. Install fall protection facility on the fixed ladder.

Action Plan no 2.

Description

1. The line leaders are in charge of monitoring this issue and the factory will address this topic with all workers during their health and safety training on October 11th, 2019.

Action Plan no 3.

Description

2. The factory will research options for replacing the structure during the CNY break and Colosseum staff will check back in with them after CNY 2020.

Action Plan no 4.

Description

3. no action needed

Company Action Plan Update

3. The factory has not used the dormitory building since 2015. The factory installs protective guards for all switch boxes in the production and office area.

Action Plan no 5.

Description

4. The factory will begin to keep a record of any small injuries that require first aid materials and they will update their workplace injury policy to reflect this.

Action Plan no 6.

Description

5. No action needed

Company Action Plan Update

5. Document review notes that the Health & Safety Policy is reviewed regularly, and the latest version was issued on March 1, 2019.

Action Plan no 7.

Description

6. The factory will purchase and install mats for the cutting workers and send Colosseum staff proof of this by September 16th, 2019. They will also add the topic of ergonomics to their health and safety training on October 11th, 2019.

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The fire alarm system does not have a backup battery.

2. The factory stores combustible materials like production materials under two stairwells in the production building and dormitory building.

3. The evacuation door on the second floor of the dormitory building opens inward. About 50 workers resided on the 2nd floor of the dormitory building at the time of the assessment, covering 500 square meters, with a maximum capacity of 80 workers on the 2nd floor. The evacuation door opening inward present a risk in emergency evacuation.

Local Law or Code Requirement

Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 6.4.1 and Article 6.4.11; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5; Employment Relationship Benchmarks ER.1 and ER.31)

Recommendations for Immediate Action

1. Install battery power on the fire alarm system in factory.
2. Remove flammable materials like the production materials under the two stairwells in the production building and dormitory building.
3. Ensure that all the evacuation doors in the dormitory building open in the direction of evacuation.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory has checked with the local fire center to make sure there is no connection with the factory's alarm. The factory also shut off the power to test whether the alarm would work. The factory will put in a back-up battery.
2. The factory will remove the materials from the stairwells and store in appropriate locations. The factory will assess the storage areas to make sure they are organized and are large enough for all necessary materials. The factory will provide more training to ensure garbage isn't left in the stairwell.
3. The factory will fix the emergency exit door.

Company Action Plan Update

03/17/16 : 1. The factory put in the back up battery and sent pictures on Nov 13th. 2. The factory has cleaned and organized the area and completed the training on 10/30. Before the next peak season, they will implement a new storage system. 3. The factory has removed the door completely since it wasn't necessary for dorm security.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Remediated) The factory has already installed backup batteries for the fire alarm system.
2. (Not Remediated) The factory stores combustible materials like carton boxes under both stairwells on the first floor of both production buildings. According to factory management interviews, the factory has not used the dormitory building since 2015; no workers live there. [HSE.5.1]
3. (Remediated) The factory has not used the dormitory building since 2015 and all exit doors in the production and office areas open outward to the direction of evacuation.

Local Law or Code Requirement

The Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 6.4.1. FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5)

Recommendations for Immediate Action

1. Remove combustible materials from the stairwells of the production buildings.

Action Plan no 2.

Description

1. No action needed

Company Action Plan Update

1. The factory has already installed backup batteries for the fire alarm system.

Action Plan no 3.

Description

2. After touring the stairwell with the factory, Colosseum staff located the problem and the factory asked a supervisor to clean the area. They will send Colosseum staff proof of this by September 9th, 2019.

Action Plan no 4.

Description

No action needed

Company Action Plan Update

3. The factory has not used the dormitory building since 2015 and all exit doors in the production and office areas open outward to the direction of evacuation.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has a canteen and kitchen to provide free meals (lunch and supper) to all workers. However, the current Health and Safety Risk Assessment does not cover food safety. [HSE.1]
2. One fire hydrant and one fire extinguisher box in the sewing workshop are partially blocked with a trolley. Remark: Factory management removed the trolley immediately during factory tour. [HSE.6.1]
3. The width of one out of two exit doors in the accessory warehouse is 0.81 meter, which is less than the national standard of 0.9 meter. [HSE.5.1]
4. One out of three fire alarms in the accessory warehouse was out of function during onsite test. When assessors asked wireman to trigger one fire alarm button in the accessory warehouse, two fire alarms worked (which indicates the centralization of fire alarm is in good condition), but the third one did not work. [HSE.5.3]

Local Law or Code Requirement

The China Fire Prevention Law, Article 28; The Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 3.7.5; The China Fire Prevention Law, Article 16 (2). FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5 and HSE.6)

Recommendations for Immediate Action

1. Conduct risk assessment to cover food safety.
2. Maintain all fire-fighting facilities free from obstruction.
3. Ensure all exit doors with sufficient width as per legal requirement.
4. Conduct regular inspection on fire alarms to ensure functionality.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will add the canteen to the health and safety risk assessment and send proof to Colosseum staff by September 16th, 2019.

Action Plan no 2.

Description

2. The factory will continue to remind line leaders about watching out for these issues and they will cover this topic during their health and safety training on October 11th, 2019.

Action Plan no 3.

Description

3. The factory will add the exit door to their construction list for the remainder of 2019.

Action Plan no 4.

Description

4. The factory is going to check again whether there is a way to replace the light without dismantling the entire fire alarm system and get back to Colosseum staff about this by September 16th, 2019.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory outsources conducting the occupational hazard (noise and dust) test every year to a certified institution. The latest test was conducted on October 18, 2018 and the test result complies with legal requirement. However, the factory does not post the test result in the workshops for workers' information. [HSE.2]

2. The factory has not applied for the annual inspection for the pressure gauges and safety valves of two simple pressure vessels since 2016. [HSE.14.1]

3. The factory does not have certified pressure vessel operators. [HSE.14.1]

Local Law or Code Requirement

The China Law of Prevention and Control of Occupational Diseases, Article 24; The Special Appliance Quality Safety Monitoring Regulation, Article 28; The Special Appliance Quality Safety Monitoring Regulation, Article 38. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.2 and HSE.14)

Recommendations for Immediate Action

1. Post occupational hazard (noise and dust) test result in the workshops for workers' information.

2. Apply for annual inspection for simple pressure vessels.

3. Arrange pressure vessel operator to attend training provided by authorized institution and get operator certificate.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will post the test results in the factory and send Colosseum staff a photo of this.

Action Plan no 2.

Description

2. The inspection and license was completed on August 9th, 2019.

Company Action Plan Update

2. The inspection and license was completed on August 9th, 2019.

Action Plan no 3.

Description

3. The factory will look into how to obtain the operators certificate for the simple pressure vessel and Colosseum staff will check progress on Nov 15th, 2019.

NEW FINDING NO.3

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory provides free meals (lunch and supper) every day to all workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

No action required

Company Action Plan Update

No action required