



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



### Verification Assessment

COMPANIES: arena Group  
COUNTRY: China  
ASSESSMENT DATE: 07/23/19  
ASSESSOR: Openview  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 1269

## 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                    | 1                    |
| Hours of Work                   | 3                    |
| Employment Relationship         | 2                    |
| Health, Safety, and Environment | 5                    |

## Previous Report Findings and Verification Results

### PREVIOUS FINDING NO.1

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

1. Not all workers are provided with all five types of social insurance. According to the social insurance payment receipt provided by factory management, only 1180 out of 1465 (81%) workers were provided with work related injury medical, pension, unemployment, and maternity insurance in September 2015. Additionally, the social insurance is paid on a contribution basis from CNY1510 to CNY3712 rather than being based on workers' actual wage (which ranges from CNY2500 to CNY4500 per month).

2. Only 14 out of 1465 (1%) workers are provided with the Housing Provident Fund, however the contribution is based on the local minimum wage rather than the workers' actual wages (which range from CNY2500 to CNY4500 per month).

3. The factory does not keep complete piece-wage records. The factory only had the last three months' piece-wage records from June to August 2015 due to limited storage space. The factory discards the older piece-wage records.

4. The factory provides paid annual leave to workers only based on their employment at the factory, instead of based on their cumulative working experience (working age) as required by local law. Currently, workers receive 5 days or 10 days of paid annual leave, depending on the length of employment at the factory, but some workers are eligible for 15 days of paid annual leave based on their cumulative working experience.

##### Local Law or Code Requirement

The PRC Labor Law, Articles 72 and 73; Housing Fund Management Regulation, Articles 15 and 17; The Provisional Regulations for the Payment of Wages, Article 6; The Employee Paid Annual Leave Regulation Article 2; FLA Workplace Code (Employment Relationship Benchmarks ER.2.1 and ER.22.1; Hours of Work Benchmarks HOW.11 and HOW.14; Compensation Benchmarks C.1, C.5, C.6, and C.15)

##### Recommendations for Immediate Action

1. Provide work-related injury insurance to all workers.
2. Maintain complete piece-wage records for all workers for at least 24 months.
3. Provide annual leave to all workers based on their cumulative working experience (working age).

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. 1- Social Insurance is mandatory requirement for all employees working in factories per law. Factory shall provide this insurance to all workers in a correct contribution. Monthly factory shall check new employee records, and ensure that for each employee buy social insurance. Check and Buy the Insurance to all the other of the staffs according to the local government. Factory shall increase the propaganda of social security. Within 31 march should be 90% Within 30 june should be 100% 2- The Housing Provident Fund is a mandatory contribution. Factory shall provide it to all workers. Within 31 march should be 50% Within 30 june should be 80% Within 31 decembre should be 100% 3- Factory shall maintain complete piece-wage records for all workers for at least 24 months. 4- Factory shall Provide annual leave to all workers based on their cumulative working experience (working age).

Update 11/11/2019

- 1) Provide work-related injury insurance to all workers.
- 2) Maintain complete piece-wage records for all workers for at least 24 months.
- 3) Provide annual leave to all workers based on their cumulative working experience (working age).
- 4) Submit the improved scheme to the company and then implement the measures the company decided

#### Company Action Plan Update

02/21/17 : 1- Not all workers are provided with all five types of social insurance. According to the social insurance payment receipt of Oct. 2016 provided by factory management, 1235 out of 1262 (98%) workers were provided with work-related injury medical, pension, unemployment, and maternity insurance in Oct. 2016. Additionally, the social insurance is paid on a contribution basis from CNY1510 to CNY4121 rather than being based on workers' actual wage (which ranges from CNY3000 to CNY4500 per month). 2- 1007 out of 1265 (80%) workers are provided with the Housing Provident Fund based on receipt of Nov. 2016. 3- Based on piece record review and management interview, the factory keeps all piece records since 1 Jan. 2016. 4- Based on revised employee manual and interview with management and workers, the factory provide annual leave to all workers based on their cumulative working experience (working age) if the time interval is less than 3 days between resignation from the last company and commencement date.

Update 11/11/2019

- 1) Submit the improved scheme to the company and then implement the measures the company decided.
- 2) The housing provident fund is not compulsory to buy. At present, the company has a total of 1250 people, the fund has been purchased for 982 employees in September. (COMPLETED - see attachemnt 13.2)

3) Considering from the company actual situation, no corrective actions have been taken for the moment. (COMPLETED)

4) Submit the improved scheme to the company and then implement the measures the company decided

## VERIFICATION RESULT

### Finding Status

Partially Remediated

### Remediation Details

1. (Partially Remediated) The factory has provided 5 types of social insurances to all 1,199 eligible workers. In addition, the factory has provided commercial accident injury insurance to 200 workers, valid from May 25, 2019 to May 24, 2020 with maximum compensation of CNY 200,000 (USD 29,068) each worker. However, the contribution base of the five types of social insurances is not in line with legal requirements. The factory contributes to work-related injury and unemployment insurances based on CNY 1,720 (USD 250) per month, pension insurance based on CNY 3,376 (USD 491) per month, maternity insurance based on CNY 4,476 (USD 651) per month and medical insurance based on CNY 6,059 (USD 881) per month. As per local law, social insurance contribution should be based on worker's average monthly wage of previous year. 90% of workers' average wage of previous year ranged from CNY 3,000 (USD 436) to CNY 7,500 (USD 1,090) per month. [C.10.1]

2. (Partially Remediated) The factory has provided Housing Provident Fund to 997 out of all 1,199 eligible workers (83.2%) with contribution based on worker's average monthly wage of previous year. [ER.22.1]

3. (Not Remediated) The factory still does not keep piece-wage records for at least 24 months. The factory only maintains the piece-wage records of last month (June 2019) due to limited storage space. Piece-wage records of previous months have been discarded. [C.15]

4. (Partially Remediated) The factory has revised their annual leave policy to take workers' external seniority (previous job experience prior to factory employment) into account to calculate annual leave when workers can provide sufficient proof documents. Currently, no worker has provided the required proof documents and no worker's cumulative working experience (working age) is counted when calculating annual leave. Annual leave is still based on worker's employment period in the factory. Interview with workers note most workers are not aware that cumulative working experience (working age) can be used for the calculation of annual leave. [C.6]

### Local Law or Code Requirement

Social Insurance Law of the PRC, Article 12 and Article 60; The Regulations on Management of Housing Provident Fund, Article 15; The Provisional Regulations for the Payment of Wages, Article 6; The Implementation Measures for Employee Paid Annual Leave, Article 4. FLA Workplace Code (Compensation Benchmarks C.6, C.10 and C.15; Employment Relationship Benchmark ER.22)

### Recommendations for Immediate Action

1. Contribute to social insurance based on worker's average monthly wage of previous year.

2. Provide all workers with legally required Housing Provident Fund.

3. Maintain complete piece-wage records for at least 24 months.

4. Calculate annual leave based on worker's cumulative working experience (working age).

## PREVIOUS FINDING NO.2

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Hours of Work

### Finding Explanation

1. The working hours exceed the approval waiver limit of the Comprehensive Working Hours System. The factory has obtained two written approved waivers for Comprehensive Working Hours System with valid periods (two years) from May 15, 2014 to May 14, 2015 and from May 15, 2015 to May 14, 2016 from the local government. The total allowable working hours was 2432 hours during each of these periods, according to these waivers. However, during the period from May 15, 2014 to May 14, 2015, total working hours exceeded the limit with 85% of workers' total working hours ranging from 2489 to 2708 hours, which exceeded the waiver limit by 57 to 276 hours.

### Local Law or Code Requirement

The Instruction on the Implementation of the China Labor Law, Article 65; FLA Workplace Code (Hours of Work Benchmark HOW.1.1)

### Recommendations for Immediate Action

1. Ensure the total working hours do not exceed the limits of the Comprehensive Working Hour approval.
2. The company's sourcing and social compliance teams should: a) implement the 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:
  1. A plan that addresses how to provide better order forecasts to the factories;
  2. Possible workshops/consultancy for the factory on how to improve productivity/quality;
  3. Clear guidelines on how to extend shipment deadlines in case of contingencies;
  4. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
  5. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
  6. 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) Factory shall Ensure the total working hours do not exceed the limits of the Comprehensive Working Hour approval. 2) The company's sourcing and social compliance teams should: a) implement the FLA Principles of Fair Labor and Responsible Sourcing. b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue: -A plan that addresses how to provide better order forecasts to the factories; -Possible workshops/consultancy for the factory on how to improve productivity/quality; -Clear guidelines on how to extend shipment deadlines in case of contingencies; Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams); -Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks; -Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

#### Company Action Plan Update

1. Factory is committed to control overtime working hours according to legal requirement.
2. Strengthen communication and coordination among sales department, production department and IE department through regular meetings to make sure better production planning and orders not exceed actual production capacity of the factory.
3. Every week PPC department will discuss with sales/ production/ purchasing/ planning to analyse the specific reason for the material delay, and come up with feasible and effective solution to avoid the delay of the material delivery.
4. Make use of social platform like "Wechat" to spread out the recruitment message and Company information for attracting more people to join.
5. Participate in local and surround area recruitment forum or related activities.

## VERIFICATION RESULT

### Finding Status

Not Remediated

### Remediation Details

1. (Not Remediated) Total working hours exceed the approval limit of the Comprehensive Working Hours System. The factory has obtained written approval of Comprehensive Working Hours System with implementation period from May 18, 2018 to May 17, 2019 and from June 19, 2019 to June 18, 2020 respectively. The total allowable working hours are 2,432 in each approval implementation period. However, based on the review of time records from May 2018 to July 22, 2019, 80% of workers' total working hours from May 18, 2018 to

May 17, 2019 ranged from 2,541.5 to 2,699 hours, which exceed the approval limit by 109.5 to 267 hours. [HOW.1.1]

#### Local Law or Code Requirement

The Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the China Labor Law, Article 65. FLA Workplace Code (Hours of Work Benchmark HOW.1)

#### Recommendations for Immediate Action

1. Ensure total working hours in full compliance with the requirements of the Comprehensive Working Hours System.

### PREVIOUS FINDING NO.3

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory does not provide anti-dust masks as Personal Protective Equipment (PPE) to all its cutting workers, who are exposed to dust.
2. The factory does not provide activated carbon masks and rubber gloves as PPE to all printing workers who are in contact with hazardous material.
3. The factory does not test for occupational hazard factors in the cutting department or provide proper occupational health checks to affected workers.
4. Hazardous factors (e.g. dust) are generated from the cutting workshop. The factory has not conducted testing for dust in the cutting workshop.
5. The factory does not provide any occupational health checks to workers who are exposed to dust in the cutting workshop as legally required; and also does not provide occupational health checks to printing workers before they begin the position and leave the position.

#### Local Law or Code Requirement

The Safety Manufacturing Law, Article 42; Interim Provisions on the Supervision and Administration of Workplace Occupational Health, Article 22; PRC Law of Prevention and Control of Occupational Diseases, Article 36; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.7)

#### Recommendations for Immediate Action

1. Provide anti-dust masks to all cutting workers.
2. Provide activated carbon masks and rubber glove to all printing workers.
3. Ensure that all workers properly wear appropriate PPE during work shifts.
4. Conduct testing for dust in the cutting workshop.
5. Provide occupational health checks to all cutting workers who are exposed to dust and printing workers who are in contact with hazardous materials regularly. Conduct these checks before workers begin the position and after they leave the position.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

created for the use of PPE and machinery protections. The system shall define who is in charge of the maintenance of PPE, the monitoring of their regular use through regular checks and who is in charge of training all the workers about the use and the hazards of PPE. Factory shall ensure that all workers properly wear appropriate PPE during work shifts 2- Factory shall provide the necessary PPE , such as activated carbon masks and rubber glove to all printing workers. Detailed guidelines have to be created for the use of PPE and machinery protections. The system shall define who is in charge of the maintenance of PPE, the monitoring of their regular use through regular checks and who is in charge of training all the workers about the use and the hazards of PPE. Factory shall ensure that all workers properly wear appropriate PPE during work shifts 3- Factory shall provide occupational health

examinations to monitor the health status of the workers who operate in the cutting department. Arrange the test to verify the dust density and the noise level and increase the number of health examinations in concerned positions. 4- Factory shall provide occupational health examinations to monitor the health status of the workers who operate in the cutting department. Arrange the test to verify the dust density and the noise level and increase the number of health examinations in concerned positions. 5- Factory shall Provide occupational health checks to all cutting workers who are exposed to dust and printing workers who are in contact with hazardous materials regularly. Factory shall Conduct these checks before workers begin the position and after they leave the position.

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- 1) Provide anti-dust masks to all cutting workers.
- 2) Provide activated carbon masks and rubber glove to all printing workers..
- 3) Ensure that all workers properly wear appropriate PPE during work shifts.
- 4) Conduct testing for dust in the cutting workshop
- 5) Provide health checks to all cutting workers who are exposed to dust and printing workers who are in contact with hazardous materials regularly. Conduct these checks before workers begin the position and after they leave the position.

#### Company Action Plan Update

(CTWA<0.3mg/m<sup>3</sup>) in cutting workshop is far below legal limitation (PCTWA<8mg/m<sup>3</sup>) and action level so that PPE is not mandatory requirement. 2- The factory provides activated carbon masks and rubber gloves as PPE to the printing workers who are in contact with hazardous material. Based on observation and worker interview, the workers claimed they will wear activated carbon masks and rubber gloves when they operate print oil. 3- The factory provides updated occupational hazard factor monitoring report (27 Jul. 2016, HAJC201605032-0165(GG)). Based on report review, cutting workshop and cutting areas are covered in monitoring report. Based on the result of occupational hazard factor monitoring report, the dust level (CTWA<0.3mg/m<sup>3</sup>) in cutting workshop is far below legal limitation (PCTWA<8mg/m<sup>3</sup>) and action level so that occupational health check is unnecessary. 4- The factory provides updated occupational hazard factor monitoring report (27 Jul. 2016, HAJC201605032-0165(GG)). Based on report review, cutting workshop and cutting areas are covered in monitoring report. 5- The factory provides updated occupational hazard factor monitoring report (27 Jul. 2016, HAJC201605032-0165(GG)). Based on report review, cutting workshop and cutting areas are covered in monitoring report. Based on the result of occupational hazard factor monitoring report, the dust level (CTWA<0.3mg/m<sup>3</sup>) in cutting workshop is far below legal limitation (PCTWA<8mg/m<sup>3</sup>) and action level so that occupational health check is unnecessary.

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- 1) The requirements have been implemented in accordance with the existing laws, the company conforms to the requirements.
- 2) Each year, the company provides free carbon masks and rubber gloves to the employees.
- 3) The requirements have been implemented in accordance with the existing laws, the company conforms to the requirements.
- 4) The requirements have been implemented in accordance with the existing laws, the company conforms to the requirements.



5) The requirements have been implemented in accordance with the existing laws, the company conforms to the requirements.

## VERIFICATION RESULT

### Finding Status

Remediated

### Remediation Details

1. (Remediated) Based on the assessment of current condition of occupational disease hazards in July 2017, anti-dust mask is not required for workers in cutting position. [Note: The assessment of current condition of occupational disease hazards is conducted every three years.]
2. (Remediated) The factory has provided activated carbon masks and rubber gloves as personal protective equipment (PPE) to all printing workers with exposure to hazardous materials.
3. (Remediated) The factory outsources qualified service provider to test occupational hazard factors in cutting department, and provides pre-job, on-job and post-job occupational health checks to all cutting workers with exposure to dust and to all printing workers with exposure to hazardous materials.
4. (Remediated) The factory outsources qualified service provider to test occupational hazard factors in cutting department. The testing report indicates dust level is within the legal limit.
5. (Remediated) The factory provides pre-job, on-job and post-job occupational health checks to all cutting workers with exposure to dust and to all printing workers with exposure to hazardous materials.

## PREVIOUS FINDING NO.4

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

### Finding Explanation

1. The fire alarm system installed in the production and dormitory buildings is not equipped with battery power.

### Local Law or Code Requirement

The Fire Safety of Building Design Regulation (GB50016-2014), Article 8.4.1; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.5.1)

### Recommendations for Immediate Action

1. Install a battery-powered fire alarm system in the production and dormitory buildings.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory shall Install a battery-powered fire alarm system in the production and dormitory buildings.

#### Company Action Plan Update

1. The company has equipped with generator as a backup power supply

## VERIFICATION RESULT

### Finding Status



Not Remediated

#### Remediation Details

1. (Not Remediated) The factory has not installed backup battery for the fire alarm system in both production and dormitory buildings. [HSE.5.1]

#### Local Law or Code Requirement

The Code for Design of Automatic Fire Alarm System (GB50116-2013), Article 10.1.1. FLA Workplace Code (Health, Safety and Environment Benchmark HSE.5)

#### Recommendations for Immediate Action

1. Install backup battery for fire alarm system.

## New Findings and Action Plans

### NEW FINDING NO.1

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

#### Finding Explanation

1. The factory only provides 98 days of maternity leave to female workers instead of 98 days plus 80 days of rewards leave as required by local law. [ER.22.1]

2. The factory pays maternity leave at the rate of legal minimum wage as CNY 1,720 (USD 250) per month instead of worker's average monthly wage of previous year. [ER.22.1]

#### Local Law or Code Requirement

The Regulations on Population and Family Planning of Guangdong Province, Article 31; Special Rules on the Labor Protection of Female Employees of Guangdong Province, Article 13. FLA Workplace Code (Employment Relationship Benchmark ER.22)

#### Recommendations for Immediate Action

1. Ensure length of maternity leave in compliance with legal requirement.
2. Provide sufficient compensation for maternity leave as per legal requirement.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1) Ensure length of maternity leave in compliance with legal requirement.
- 2) Provide sufficient compensation for maternity leave as per legal requirement

#### Company Action Plan Update

- 1) Submit the improved scheme to the company and upon company's decision implement the measures.
- 2) Submit the improved scheme to the company and upon company's decision implement the measures.

### NEW FINDING NO.2

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

#### Finding Explanation

1. Both of the lactating female workers work overtime on both weekdays and rest days with other workers, and they are not provided

with one-hour of breastfeeding leave each day. [HOW.4.1]

2. The factory has no system to guarantee female workers pregnant for more than seven months are provided with one-hour rest time each day during work hours. Although factory management stated they had no restriction for taking rest during work hours for these workers, there are no records show eligible pregnant workers have used this benefit. [HOW.4.1]

3. Total working hours exceed 60 per week. Based on the review of time records from May 2018 to July 22, 2019, about 40% of workers worked a total of 63 to 66 hours in one week in January and February 2019 respectively, and about 4.6% of workers worked a total of 70 hours in one week in April 2019. Total working hours were within 60 in all the other reviewed months. [HOW.1.3]

4. One day off in every seven-day period is not guaranteed. Based on the review of time records from May 2018 to July 22, 2019, workers in the printing department (about 4.6% of total workforce) worked for nine days from April 22 to April 30, 2019. Workers were provided with one day off in every seven-day period in all the other reviewed months. [HOW.2]

5. The factory production plan is based on 60 hours per week. Factory management sets production targets and production system at a level that workers need to work 20 overtime hours per week. [ER.24]

#### Local Law or Code Requirement

Special Rules on the Labor Protection of Female Employees of Guangdong Province, Article 10 and Article 17. FLA Workplace Code (Employment Relationship Benchmark ER.24, Hours of Work Benchmarks HOW.1, HOW.2 and HOW.4)

#### Recommendations for Immediate Action

1. Ensure female workers in lactation period do not work overtime and are provided with one-hour breastfeeding leave each day as per legal requirement.

2. Provide one-hour rest time each day during work hours to female workers pregnant for more than seven months.

3. Control total working hours do not exceed 60 per week.

4. Provide one day off in every seven-day period.

5. Set production plan based on regular working hours. Adjust production targets so that workers do not need to work overtime to meet them.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1) Ensure female workers in lactation period do not work overtime and are provided with one-hour breastfeeding leave each day as per legal requirement.
- 2) Provide one-hour rest time each day during work hours to female workers pregnant for more than seven months.
- 3) Control total working hours do not exceed 60 per week.
- 4) Provide one day off in every seven-day period.
- 5) Set production plan based on regular working hours. Adjust production targets so that workers do not need to work overtime to meet them

### Company Action Plan Update

- 1) Have submitted the improved scheme to the company. Once the company has made a decision will implement the new measures.
- 2) Have submitted the improved scheme to the company. Once the company has made a decision will implement the new measures.
- 3) The HR supervisor will carry out the attendance requirement training for the internal staff. (Completed, see attachment 3.3)
- 4)
  - 4.1) Factory is committed to respect overtime working hours according to legal requirement.
  - 4.2) Strengthen communication and coordination among sales department, production department and IE department through regular meetings to come up with better production planning and to make sure orders not exceed factory's production capacity.
  - 4.3) Every week PPC department will discuss with sales/ production/ purchasing/ planning to analyze the specific reasons for the material's delay and come up with feasible and effective solutions to avoid the delay of the material delivery.
  - 4.4) Make use of social platform like "Wechat" to spread out the recruitment message and Company information for attracting more people to join.
  - 4.5) Participate in local and surrounding area recruitment forums or related activities.
- 5)
  - 5.1) Factory is committed to respect overtime working hours according to legal requirement.
  - 5.2) Strengthen communication and coordination among sales department, production department and IE department through regular meetings to come up with better production planning and to make sure orders not exceed factory's production capacity.
  - 5.3) Every week PPC department will discuss with sales/ production/ purchasing/ planning to analyze the specific reasons for the material's delay and come up with feasible and effective solutions to avoid the delay of the material delivery.
  - 5.4) Make use of social platform like "Wechat" to spread out the recruitment message and Company information for attracting more people to join.
  - 5.5) Participate in local and surrounding area recruitment forums or related activities.

## NEW FINDING NO.3

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory has not installed evacuation signs in the evacuation passages (about forty meters long) at either dormitory building. [HSE.25.1]
2. A total of nine emergency exit doors in the printing department are roll-up door. Although the factory installs bolts to prevent the doors from rolling down, this type of door does not meet the legal requirements for emergency exits. [HSE.5.1]
3. The factory only posts the occupational hazard notification card related to noise and high temperature in the printing department, while the main occupational disease hazards in the printing department are associated with chemicals. [HSE.1]

##### Local Law or Code Requirement

The Code of Design on Building Fire Protection and Prevention (GB50016-2014), Article 6.4.11 and Article 10.3.5; China Law of Prevention and Control of Occupational Diseases, Article 24. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5 and HSE.25)

##### Recommendations for Immediate Action

1. Install evacuation signs in all evacuation passages in dormitory buildings.
2. Ensure emergency exit doors open outward to the direction of evacuation.
3. Post occupational hazard notification card related to chemicals in the printing department.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1) Install evacuation signs in all evacuation passages in dormitory buildings
- 2) Ensure emergency exit doors open outward to the direction of evacuation.
- 3) Post occupational hazard notification card related to chemicals in the printing department.

#### Company Action Plan Update

- 1) The length of the dormitory passage is 35 meters and the evacuation signs have been installed on both sides of the passage.
- 2) Factory has taken measures to ensure the safety of the employees:
  1. All rolling doors have been installed by the fixed pin at two meters high to ensure that the work time is open.
  2. Gate switch buttons have been equipped with protection cover and keys have been given to the leaders.
  3. The factory will organize regular trainings and daily production meetings on workday, during mornings, to improve employee's awareness of fire safety.
- 3) Noise and high temperatures signs have been hanged up in the printing workshop.

### Action Plan no 2.

#### Description

- 1) Install evacuation signs in all evacuation passages in dormitory buildings
- 2) Ensure emergency exit doors open outward to the direction of evacuation.
- 3) Post occupational hazard notification card related to chemicals in the printing department.

#### Company Action Plan Update

- 1) The length of the dormitory passage is 35 meters and the evacuation signs have been installed on both sides of the passage.
- 2) Factory has taken measures to ensure the safety of the employees:
  1. All rolling doors have been installed by the fixed pin at two meters high to ensure that the work time is open.
  2. Gate switch buttons have been equipped with protection cover and keys have been given to the leaders.
  3. The factory will organize regular trainings and daily production meetings on workday, during mornings, to improve employee's awareness of fire safety.
- 3) Noise and high temperatures signs have been hanged up in the printing workshop.

## NEW FINDING NO.4

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. Waste fluorescent tubes are kept in a general storage room, mixed with some scraps and other sundries. [HSE.1]

#### Local Law or Code Requirement

Standard for Pollution Control on Hazardous Waste Storage GB18597-2001, Article 8.1.2 and Article 8.1.3. FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1)

#### Recommendations for Immediate Action

1. Segregate waste fluorescent tubes as hazardous wastes and store in a secure & safe manner.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Segregate waste fluorescent tubes as hazardous wastes and store in a secure & safe manner.

#### Company Action Plan Update

1. The waste lumps have been moved from the general storage room to another, separate location.
2. The ISO department will regularly check the registration and management of the waste lamp tube