



Verification Assessment

COMPANIES: Under Armour, Inc.

COUNTRY: China

ASSESSMENT DATE: 07/25/19

ASSESSOR: Openview

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

NUMBER OF
WORKERS: 283

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
Hours of Work	2
Employment Relationship	6
Health, Safety, and Environment	3
Freedom of Association	2

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory did not pay all of the workers their August wages on the regular payday, instead paying it one day later. The payday fell on a Sunday, workers were paid on Monday, instead of the prior Friday. This late payment only occurred once in the past year and assessors consider it an isolated case.

2. The factory does not have a compensation leave policy (in lieu of leave time). This lack of policy results in working hours on weekends not being paid at the overtime (OT) premium rate, but at the regular rate, in the following examples: a. If a regular-shift worker applies personal leave on weekdays and they work on Saturday or Sunday, then the weekend wage is not paid at the legally required 200% rate, as the factory automatically swaps the regular weekday with Saturday or Sunday. b. Due to working hour controls to meet 60 hours per week, a two-shift worker (accounting for 20% of the total employees in June, July and August 2015) might work only four regular hours on one weekday and eight OT hours on Saturday. Four out of eight OT hours worked during the weekend will be automatically exchanged at the weekday hourly rate. Meaning the wage of the 4 OT hours exchanged from the weekend is paid at a regular rate (100%) instead of 200% as legally required.

3. According to the HR administrative handbook and worker interviews, the factory does not take workers' external seniority (previous job experience prior to factory employment) into account in calculating annual leave as legally required.

Local Law or Code Requirement

Payment of Wages Tentative Provisions, Article 7; Implementation Measures of Employees' Paid Annual Leave (2008), Article 4; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.18, and ER.22.2; Compensation Benchmarks C.4, and C.7; Hours of Work Benchmark HOW.11)

Recommendations for Immediate Action

1. Cease the practice of swapping the overtime hourly rate with the regular hourly rate when the worker has taken personal leave prior to the overtime hours worked.

2. To continue the practice of swapping weekend OT hours with regular hours before leave hours are taken, when the worker does not work a full regular hour workweek (40 hours) due to their established regular shift and works on Saturday, the factory must establish a

compensation leave policy. The policy shall state that when workers work overtime on the weekend due their established shift, they will receive leave hours the following week so that the hours worked on the weekend are to be paid at the regular hourly rate. This policy cannot be applied to OT on public holidays, which shall be compensated at 300% without exemption. In the absence of this policy and no corresponding rest time arranged for workers, the overtime occurred must be compensated at legally premium rate.

3. Update the HR handbook regarding the annual leave policy and align it with the legal requirements; implement the new policy accordingly.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Management must pay wages (in full) and on time. If payday falls on a Sunday, management must ensure workers are paid the Friday before wage payment due date. Please send to us a commitment letter, using the Company's letterhead, indicating factory workers will be paid in full and on time as required by local regulations.

2. Management to cease the practice of swapping the overtime hourly rate with the regular hourly rate when workers have taken personal leave prior to the overtime hours worked. In order to continue the practice of swapping weekend OT hours with regular hours before leave hours are taken, when the worker does not work a full regular hour workweek (40 hours) due to their established regular shift and works on Saturday, the factory must establish/implement a compensation leave policy. The policy shall state that when workers work overtime on the weekend due their established shift, they will receive leave hours the following week so that the hours worked on the weekend are to be paid at the regular hourly rate. This policy cannot be applied to OT on public holidays, which shall be compensated at 300% without exemption, according to a new written procedure, with documented training for responsible managers, all workers and posters of/summarizing the new policies and procedures. In the absence of this policy and if no corresponding rest time is arranged for workers, then the overtime worked must be compensated at legally premium rate.

3. Review/update the HR handbook to ensure that workers' seniority (from previous job) is taken into account when calculating their annual leave as required in local regulations. Identify the manager who will develop/implement a formal written annual leave policy and procedures accordingly. Train workers/managers on the newly developed policy/procedures, post copies of the new policies and procedures as well as summaries of them and assign someone responsible for implementation/enforcement

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Remediated) When regular payday (the 20th day of each month) falls on a Saturday or Sunday, the factory pays workers on the Friday before regular payday, according to the review of payroll records from July 2018 to June 2019, workers & management interview.

2. (Remediated) The factory has established compensation leave policy and paid sufficient overtime wage as per legal requirement, according to the review of payroll records from July 2018 to June 2019, workers & management interview.

3. (Not Remediated) According to Human Resource administrative handbook and worker interviews, the factory still does not take workers' external seniority (previous job experience prior to factory employment) into account when calculating annual leave as required by law. [C.6]

Local Law or Code Requirement

Regulations on Annual Leave for Employees, Article 2. FLA Workplace Code (Compensation Benchmark C.6)

Recommendations for Immediate Action

Calculate annual leave based on workers' cumulative working experience (working age).

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Based on interviews with the production supervisors and employees, supervisors of certain departments, such as ironing and quality inspection, conduct morning preparatory meetings for 5 to 10 minutes before the regular workday starts. However, this time is not compensated. These meetings affect about 50% of the workers in the ironing and quality departments and occur up to 3 times a week.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.7)

Recommendations for Immediate Action

1. Either compensate workers for attending the meetings before their shifts, or stop the practice of requesting that workers attend morning meetings before the shift.
2. Retroactively pay the uncompensated 5-10 minutes for each workday of the past 12 months for the workers in the concerned departments.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Management to either compensate workers for attending the meetings before their shift starts, or stop the practice of requesting that workers attend morning meetings. Please send to us a commitment letter, using the Company's letterhead, from top management stating the new policy, i.e., that workers who attend meetings before the shift starts will be compensated in accordance with local regulations.

2. Take any necessary corrective action concerning past practices, including retroactively paying workers who participated in morning meetings (before their shift started) the uncompensated 5-10 minutes for each workday of the past 12 months for the workers in the concerned departments. All such workers must be identified by name, title, id number, job function and the compensatory payments must be documented and itemized in each affected worker's pay slip and personnel file. Please send to us supportive documentation that will demonstrate compliance with the above action items.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

(Remediated) Based on interviews with the production supervisors and workers, the factory conducts morning preparatory meetings when the regular workday starts.

PREVIOUS FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory's production planning is based on 48 hours per week during the low season and 60 hours per week during the peak season.

The production planning during low and peak seasons can vary from 8 to 20 hours of overtime per week on a regular basis.

2. None of the workers received at least 24 consecutive hours of rest for every seven-day period in 4 of the past 12 months from September to December 2014. Workers worked 13 consecutive days in September, seven consecutive days in October, eight consecutive days in November, and nine consecutive days in December.

3. In 6 of the past 12 months, 50% of the employees worked more than three hours of overtime on a daily basis, ranging from 3.5 hours to 4.5 hours.

4. In 10 of the past 12 months, all workers' monthly overtime ranged from 38 hours to 94 hours, with an average of 71 hours. The highest overtime (94 hours) occurred in August 2015.

5. In 5 of the past 12 months, weekly working hours ranged from 60.6 to 70.5, exceeding the FLA limit of 60 hours per week. For example, 50% of the workers worked around 67 hours in July 2015. The highest hours of work per week (70.5) occurred in July 2015.

6. The factory obtained a Cumulative Working Hour System Waiver (CWHS), which allows 216 hours of overtime from May 2015 to October 2015. However, from May 2015 to August 2015, the factory's average overtime was 334 hours, exceeding the CWHS limits.

Local Law or Code Requirement

Labor Law of PRC (1995), Articles 38 and 41; FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1.3, HOW.2, HOW.7, and HOW.8.3)

Recommendations for Immediate Action

1. Do not include regular overtime in production planning and do not exceed the legal limit of 36 hours of overtime per month.

2. Ensure that workers' weekly hours meet the FLA limit of 60 hours/week.

3. Ensure that workers have at least 24 consecutive hours of rest in every 7-day period.

4. Ensure that daily overtime does not exceed three hours.

5. FLA affiliate Companies' 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. Management to ensure that it does not include overtime in production planning and do not exceed the legal limit of 36 hours of overtime per month as required by local regulations.

2. Management to ensure that workers do not exceed the 60 hours per week as required in Under Armour/Fenix Outdoor/Fair Labor Association's code of conduct. Furthermore, management to ensure that daily overtime does not exceed three hours as required by local regulations.

3. Management to ensure that workers have at least 24 consecutive hours of rest in every 7-day work period.

The factory must identify the top and middle management personnel from Hangzhou U-Jump who will: 1) conduct documented and regular (daily, weekly and monthly) documented and regular analyses of the factory's hours of work with a view to progressively reducing excessive hours of work; 2) demonstrate and issue a written commitment to reduce overtime

and 3) alter its personnel practices to make a documented effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand. Factory management is to: address its excessive hours issues:

1. if established to be necessary, by jointly working with its customers on how to provide better order forecasts;
2. Participating in workshops/engaging a consultancy for the factory on how to improve productivity/quality;
3. if established to be necessary, by jointly working with its customers to develop clear guidelines on how to extend shipment deadlines in case of contingencies;
4. the creation of steps that management must follow if overtime is inevitable (steps for how to communicate with Under Armour's/Fenix Outdoor's Sourcing and Sustainability teams and other customers);
5. clear guidelines on calculating and setting reasonable production targets that will not demand work beyond regular working hours or during breaks; and
6. Developing clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.
7. re-evaluate the production planning systems and controls in order to ensure that they match their historically demonstrated production capacity in order to operate within its working hour control policy.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Not Remediated) The factory's production plan is still based on 48 hours per week during the low season and 60 hours per week during the peak season. The factory management sets production targets and production system at a level that workers need to work 8-20 overtime hours per week. [ER.24]
2. (Remediated) According to the time records for the period from July 2018 to July 24, 2019 and worker interview, all workers received one day off for every seven-day period in all the reviewed months.
3. (Remediated) According to the time records for the period from July 2018 to July 24, 2019 and worker interview, daily overtime for 60% of workers exceeded the legal limit of 3 hours per day ranging from 3.5 to 4 hours on 5 to 17 weekdays each month in the period from July to October 2018 and May to July 2019 respectively, with a maximum of 4 overtime hours on May 31, 2019. However, the factory has obtained written approval for adopting Comprehensive Working Hours System, which allows 2432 working hours from November 1, 2017 to October 31, 2018 and November 1, 2018 to October 31, 2019 respectively.
4. (Remediated) According to the time records for the period from July 2018 to July 24, 2019 and worker interview, monthly overtime for 95% of workers exceeded the limit of 36 hours per month in all the reviewed months except February 2019, ranging from 38 to 110 overtime hours and an average of 74 overtime hours in a month. The maximum monthly overtime hours reached 110 in May 2019. However, the factory has obtained written approval for adopting Comprehensive Working Hours System, which allows 2432 working hours from November 1, 2017 to October 31, 2018 and November 1, 2018 to October 31, 2019 respectively.
5. (Not Remediated) According to the time records for the period from July 2018 to July 24, 2019 and worker interview, weekly working hours for 80% of workers exceeded 60 ranging from 60.5 to 72 for 2 to 4 weeks each month in the period from July to October 2018 and May to July 2019 respectively. The maximum weekly working hours reached 72 in May 2019. [HOW.1.3]

6. (Not remediated) The factory obtained written approval for adopting Comprehensive Working Hours System, which allows 2432 working hours from November 1, 2017 to October 31, 2018 and November 1, 2018 to October 31, 2019 respectively. However, from November 1, 2017 to October 31, 2018, the average total working hours reached 2,595.5, which exceeded the approval limit. Remark: Total working hours from November 1, 2018 to July 24, 2019 (the 2nd assessment day) ranged from 1,690 to 1,776, which was within the approval limit. [HOW.1.1]

Local Law or Code Requirement

Instruction on the Implementation of the China Labor Law, Article 65. FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmark HOW.1)

Recommendations for Immediate Action

1. Set production plan based on regular working hours.
2. Control total weekly working hours do not exceed 60.
3. Ensure total working hours in full compliance with the requirements of the Comprehensive Working Hours System.

PREVIOUS FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory has not arranged an air emissions test for the diesel power generator and laser cutting machine. Therefore, management is unable to verify if the air emissions meet the legal limit.
2. Currently, the air exhaust pipe of the boiler is only 7.8 meters high, while the local environmental authority required that it should be 10 meters high when they did an acceptance check of the factory's environmental protection facilities.
3. The factory has not conducted an environmental risk assessment, which was requested in the factory's environmental protection procedure. Therefore, the factory cannot identify all environmental risk factors and develop preventative measures.

Local Law or Code Requirement

Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (2000), Articles 13 and FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

Recommendations for Immediate Action

1. Arrange for a licensed service provider to conduct air emissions tests for the power generator and laser cutting machine.
2. Extend the boiler exhaust pipe up to 10 meter high, as per the local environmental authority's requirement.
3. Conduct an environmental risk assessment that includes preventative measure to minimize environmental risks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory must identify by name and title, and clearly define, the specific managers who will 1) engage: a 3rd party qualified/licensed environmental protection/related field engineer to a) prepare and conduct required air emissions tests of the i) power generator and ii) laser cutting machines and 2) prepare and conduct an environmental risk assessment (E.R.A.) that includes recommended preventative measure to minimize environmental risks.
2. The factory must have a 3rd party qualified technician extend the boiler exhaust pipe up to 10 meter high, as per the local environmental authority's requirement and send us copies of: a) the pipe, before and after the extension; b) copies of the technician's credentials and c) and permit, if any, required for same.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Remediated) The diesel power generator is no longer in use. The factory conducts air emissions tests for the laser cutting machine once a year with records on file.
2. (Remediated) The air exhaust pipe of the boiler is at least 10 meters high.
3. (Not Remediated) The factory has not conducted an environmental risk assessment including preventative measure to minimize environmental risks. [HSE.1]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1)

Recommendations for Immediate Action

Conduct an environmental risk assessment that includes preventative measure to minimize environmental risks.

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. No ventilation facility is installed at the chemical (machine oil) storage area. Additionally, the window is completely closed. There is no system to prevent chemical buildup in the interior environment.
2. No Material Safety Data Sheet (MSDS) was available for the chemical glue sprayer "Super88" at the time of the factory tour. Before the assessor left the premise, the MSDS was obtained from the chemical supplier. Additionally, this chemical is stored at the general warehouse instead of the dedicated chemical storage area.

Local Law or Code Requirement

Regulations on the Safety Administration of Dangerous Chemicals (2011), Article 20; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.9.1, and HSE.10.1)

Recommendations for Immediate Action

1. Store chemicals in a well ventilated, dedicated area.
2. Enhance internal monitoring, and ensure that the MSDSs for all chemicals are maintained on-site and are available to workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory must identify by name and title, and clearly define, the specific managers who will 1) engage a 3rd party qualified structural engineer to assess the ventilation needs in the chemical storage area and 2) based on his/her assessment, install an appropriate ventilation system in accordance with local regulations. In the meantime, the factory must identify the person/team who/that will ensure that every day, the window is kept open and temporary ventilation equipment is installed/used.

2. Management to assign someone responsible for ensuring that all MSDSs for all chemicals (in storage/production) are posted in Chinese, accounted for, maintained on-site and are also available in Chinese in other forms to the workers.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. (Remediated) Machine oil is stored in a designated room with open windows for ventilation.
2. (Remediated) The chemical glue sprayer "Super88" is no longer in use in the factory.

PREVIOUS FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no fire alarm system installed at the power generator room, and the diesel tank is not segregated from the power generator.
2. One exit door (next to the yarn winding area) on the 4th floor of the production building does not open in the direction of evacuation.

Local Law or Code Requirement

Code of Design on Building Fire Protection and Prevention GB50016-2006, Articles 5.4.3 (clauses 3 & 4) and 7.4.12; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.5)

Recommendations for Immediate Action

1. Install a fire alarm system at the power generator room, and separate the diesel tank from the power generator.
2. Change the opening direction of the exit door.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory must identify by name and title, and clearly define, the specific managers who will ensure that a qualified third-party firm: 1) installs; 2) conduct documented maintenance of, and 3) regularly conduct documented tests of, an new emergency/fire alarm system with distinctive alarm sound in the power generator room. Also, please relocate the diesel tank, to a safe, secure and properly ventilated/cooled location that also is a safe distance from the power generator. Please send us alarm system photos, and photographs of the new location of the diesel tank, once installed.
2. The factory must identify the manager or team that will ensure that: 1) all existing emergency exit doors are replaced with side-hinged type doors, that swing outwardly and in the direction of travel, consistent with local regulations; 2) all sliding or hanging doors must be replaced; 3) no locks or locking mechanisms must be on/near any exit (doors should be equipped with panic bars with audible alarms (see example).

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. (Remediated) The power generator room is no longer in use. The factory built cement walls around the diesel tank to segregate it from the power generator.
2. (Remediated) The exit door (next to the yarn winding area) on the 4th floor of the production building opens to the direction of evacuation.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory's current occupational health examination system only implements pre-job and on-the-job examination for the eligible workers; however, it lacks pre-departure occupational health examinations.
2. The electrician has not been provided with adequate Personal Protective Equipment (PPE): safety helmet and belt. Additionally, the electrician's job risk is not covered in the internal risk assessment report.
3. At noisy work sites, such as knitting department, the factory posted signs indicating the required PPE (ear plugs); however, this kind of sign is insufficient. The warning sign explanations need to indicate the categories, consequences, prevention, and emergency treatment measures for occupational health issues.
4. No signs are posted to indicate confined spaces (i.e. fire water pool) although it is included in the factory's written procedure on confined spaces.
5. There is no Standard Operation Procedure (SOP) and warning sign posted at the compressed air gun area.

Note: There are no reports available for the pre-assessment of occupational hazards and the assessment of effects of occupational hazards control, prior to the acceptance check of the construction project, which are legally required. The reports cannot be retroactive to obtained, as the factory has formally started production. For the period of ongoing production, the factory has arranged for a licensed service provider to conduct the current situation assessment for occupational hazards, which is considered as a remediation by FLA.

Local Law or Code Requirement

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Articles, 17, 18, and 36; Code of Practice for Selection of PPE GB11651-2008, Article 6.1, Sheet 3, A09 and A14; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 15; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, and HSE.14.3)

Recommendations for Immediate Action

1. Implement pre-departure occupational health examinations for eligible workers.
2. Provide adequate PPE (safety helmet and safety belt) for the electrician. Update the internal risk assessment sheet to include the electrician position, and train the electrician on the updated risk assessment result.
3. Post the correct warning sign at the knitting department. Subsequently, communicate about the sign to the affected workers.
4. Conduct internal assessments to identify all the confined spaces, and post warning signs and safety instructions. Train eligible workers on the safety instructions and confined space procedures.
5. Post a warning sign and SOP at the compressed air gun area, and train eligible workers about it.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Management to implement pre-departure occupational health examinations, based upon a new written procedure, with related documentation, for all eligible workers.
2. Management to provide adequate PPE (safety helmet and safety belt) for the electrician. Update the internal risk assessment sheet to include the electrician position, and conduct documented PPE training of the electrician on the updated risk assessment result. The factory also must install related PPE posters in Chinese.

3. Management to post the correct/appropriate PPE required usage sign in Chinese in the knitting department. Subsequently, the factory should conduct documented training about the PPE and the sign to the affected workers.

4. Management to conduct formal, periodically scheduled internal assessments with all personnel to identify all the confined spaces, created confined space procedures and post related warning signs and safety instructions about them in Chinese. The factory must have a credentialed/expert person or 3rd party firm conduct documented training of affected/at risk workers on the safety instructions and confined space procedures.

5. Management to post a warning sign in Chinese about, and a formal new Standard Operating Procedure (SOP) in, for and at the compressed air gun area, and conduct documented training for affected, at risk and eligible workers about it.

6. The factory must identify the person who will: 1) ensure, by implementing a documented personal protective equipment ("PPE") use incentive/award/reward system, that its workers: a) are provided the appropriate PPE; e.g. anti-dust respirator, helmet, safety belt, etc. and b) properly wear/use the PPE including earplugs and facemasks required by their specific workplace conditions; 2) conduct documented training session forcefully emphasizing risks and harms of failing to wear/properly use, PPE and 3) post posters, in Chinese, in each workplace showing the necessary and proper use of PPE for each worker (please see Article 37 of Law of the People's Republic of China on Production Safety). The factory must send to us photographs to us showing that/documented evidence that workers are provided and NOW use the anti-dust respirators.

7. Management must conduct a documented comprehensive risk assessment of the workplace to determine if hazards are present, or are likely to be present. The risk assessment should include an evaluation of all workplace positions, identification of risk areas, including confined spaces, etc. Based on its results, the factory must identify the team who will develop and effectively implement a documented action plan aimed at minimizing occupational risks in the workplace. Please share with us the risk assessment results and action plan(s) and supporting evidence.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. (Remediated) The factory provides post-job occupational health check to all eligible workers.

2. (Remediated) The electrician is provided with safety helmet and belt. Additionally, the electrician's job risk is covered in the internal risk assessment report.

3. (Remediated) The warning signs posted at work sites with high noise level are with sufficient information, which indicate the categories, consequences, prevention, and emergency treatment measures for occupational health issues.

4. (Remediated) The warning signs and safety instructions are posted to indicate confined spaces (i.e. fire water pool).

5. (Partially Remediated) The Standard Operation Procedure (SOP) is posted in the compressed air gun area. However, the factory does not post warning signs in the compressed air gun area. Furthermore, the factory does not post warning signs in the yarn winding area, where workers are exposed to dust. The warning sign should indicate the categories, consequences, prevention, and emergency treatment measures for occupational health issues. [HSE.1]

Note: (Not Remediated) The factory has not conducted pre-assessment of occupational disease hazards, assessment of effects of occupational disease hazards control, or assessment of current condition of occupational disease hazards as per law. [HSE.1]

Local Law or Code Requirement

China Law of Prevention and Control of Occupational Diseases, Article 24; China Law of Prevention and Control of Occupational Diseases, Article 17 and Article 18; Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20. FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

Recommendations for Immediate Action

1. Post warning signs in compressed air gun area and yarn winding area.

PREVIOUS FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The existing separation between the male and female toilet stalls, which are right next to each other, has a 12cm gap from the ground. (Note: Tan FLA also identified this issue affiliated company through its internal audit in early of September of 2015. The factory has renovated one of the separations which was submitted for company review, and the factory is awaiting the feedback)
2. There is no food sampling, which the factory is required to keep for 48 hours against the risk of food poisoning.
3. Not all canteen staff wear masks when serving meals; additionally, no dedicated training on canteen hygiene rules is provided to canteen staff.
4. Although the drinking water is tested once per year, no maintenance records are available to demonstrate that the filters of the boiling water dispensers are replaced regularly.

Local Law or Code Requirement

Regulation on Hygienic of Food Industry and Delivery Unit of Group Meals (2005), Article 35; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.19, HSE. 20, HSE.22, and HSE.23)

Recommendations for Immediate Action

1. Fully separate the male and female toilets.
2. Keep food samples for 48 hours, in accordance with local law.
3. Ensure that canteen staff wear masks when serving meals, and are trained on the hygiene rules.
4. Regularly replace the filters on the drinking water dispenser, and keep the maintenance records on-site.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Management to ensure that there is no gap between the stalls of the male and female toilets.
2. Management to ensure canteen employees keep/maintain food samples for at least 48 hours, in accordance with local law. Also, ensure that canteen staff wear masks when serving meals, and are trained on the hygiene rules.
3. Management to ensure that water filters are regularly tested/replaced according to a formal written procedure, with a related inspection and replacement log, and keep the maintenance records on-site.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. (Remediated) The factory conducted renovation and there is no gap from the ground for the separations between the male and female toilet stalls.

2. (Remediated) The cook keeps food sample for 48 hours in the refrigerator.
3. (Remediated) All canteen staff wear masks when serving meals. The factory provides dedicated training on canteen hygiene rules to canteen staff once a year with records on file.
4. (Remediated) The factory has kept maintenance records demonstrating that the filters of the boiling water dispensers are replaced regularly.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory does not provide workers with a copy of the Collective Bargaining Agreement (CBA). [ER.16.2]
2. FLA Comments: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). According to the International Labor Organization (ILO), many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements. [FOA.2]

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. Provide workers with a copy of the CBA.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory downloaded the material safety data sheet (MSDS) for diesel fuel from the internet, which is incomplete and does not include information regarding: the chemical product identification, company identification, hazards summary, composition and ingredients. Furthermore, the MSDS for the lubricating oil provided by the supplier is in English instead of local language, Chinese. [HSE.10]

Local Law or Code Requirement

The Safety Data Sheet for Chemical Products-Content and Order of Sections (GB16483-2008), Article 19. FLA Workplace Code (Health, Safety and Environment Benchmark HSE.10)

Recommendations for Immediate Action

1. Obtain complete MSDS for diesel and lubricating oil in Chinese from the suppliers.