



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: G-III Apparel Group Ltd.

COUNTRY: China

ASSESSMENT DATE: 08/15/19

ASSESSOR: Openview

PRODUCTS: Apparel

NUMBER OF WORKERS: 192

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	4
Hours of Work	6
Employment Relationship	20
Health, Safety, and Environment	16

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has not conducted performance reviews for any workers. [ER.29.1]
2. Workers do not receive a copy of the workplace rules or written documentation that substantiates all the issues covered in orientation. [ER.15.3]
3. There is no written job description prepared for any of the production positions. [ER.1.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15 and ER.29)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We immediately perform a performance evaluation of all employees.
2. We will reorganize the induction training materials for new employees, including all laws and regulations and the customer's code of conduct.
3. We will rewrite the job responsibilities of employees, and will clearly describe the job requirements and employment conditions of all positions.

Company Action Plan Update

1. We will formulate company management representatives and conduct monthly performance evaluation and assessment for all employees. During the performance evaluation process, we will allow employees to participate, confirm, feedback and deal with them.
2. We formulate company management representatives to organize the current laws and regulations and the code of conduct of all customers and edit them into training materials. All newly recruited personnel will be trained in accordance with the new training materials.
3. The company manager's representative regularly checks and verifies the job responsibilities requirements to ensure that all job positions in the company have job responsibilities. The job responsibilities include their job requirements and employment conditions.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. A review of social insurance payments from August 2018 to July 2019 and interviews show that the factory does not provide sufficient social insurance to all eligible workers. There is a total of 105 workers in the factory and all of them are eligible for social insurance contribution. Only 17 out of 105 eligible workers (16.2%) were provided with work-related injury, medical, maternity, pension and unemployment insurances in July 2019. In addition, the factory has provided commercial insurance for accidental injury to 81 workers with a valid period from August 15, 2019 to August 14, 2020 and to another 20 workers with a valid period from December 19, 2018 to December 18, 2019, with a maximum benefit amount of CNY 100,000 (USD 14, 231) per worker. [C.1]
2. The factory does not contribute to the legally required Housing Provident Fund for any workers. [ER.22.1]
3. The contribution base of the five types of social insurances is not in line with legal requirements. The factory contributes to work-related injury, medical, maternity, unemployment and pension insurances based on local minimum requirement of CNY 3,396 (USD 483) per month, which is not in compliance with legal requirement of contribution based on worker's average monthly wage of last year. About 80% of workers' average monthly wages of last year were higher than local minimum contribution base, ranging from CNY 3,400 (USD 484) to CNY 6,400 (USD 911). [C.10.1]
4. According to Employee Handbook and worker interviews, the factory 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]
5. The factory has not informed or consulted with workers before arranging them to take five days of annual leave during Chinese New Year Holiday. [HOW.12.2]
6. About 90% of interviewed workers are not aware of the paid leave policies, including sick leave, marriage leave, funeral leave or maternity leave. No workers have ever applied for those paid leaves. [C.17.1]

Local Law or Code Requirement

The China Labor Law, Article 72; The Regulations on Management of Housing Provident Fund, Article 15; Social Insurance Law of the PRC, Article 60; The Implementation Measures for Employee Paid Annual Leave, Article 4. FLA Workplace Code (Employment Relationship Benchmark ER.22; Hours of Work Benchmark HOW.12; Compensation Benchmarks C.1, C.6, C.10 and C.17)

Recommendations for Immediate Action

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

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

5. Consult with workers before determining the time at which annual leave is taken.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will continue to increase the number of participants in accordance with local participation standards and the wishes of employees.
2. The factory will continuously increase the purchase of housing provident fund for employees according to their wishes.
3. The factory will solicit the wishes of employees and ask local social security units for continuous improvement.
4. We will rewrite the employee handbook to accumulate employees' past work experience in the company's calculated annual leave.
5. We have clearly stated in the annual leave document that employees can take annual leave at any time. If the employee does not take annual leave at ordinary times, we will uniformly arrange for annual leave during the Spring Festival. Before the company makes unified arrangements, it will work with the factory. Employee representatives communicate and negotiate and obtain their unification before implementation.
6. All personnel in our company are trained to make them clear about the company's paid vacation policies, including sick leave, wedding leave, funeral leave or maternity leave policy.

Company Action Plan Update

1. We will provide all employees with relevant knowledge of social security training. We will continue to increase the number of employees who purchase social insurance under the wishes of the employees. Finally, we will achieve 100% full insurance coverage. Without 100% participation, we will 100% accident insurance for all current employees.
2. We will provide all employees with relevant trainings on housing provident fund, and purchase housing provident fund for employees with their consent. Before the purchase of housing provident fund, we will issue full housing for all employees on the salary scale every month Provident fund subsidies.
3. We will consult the wishes of the local social security department and the employees themselves, and will adjust the participation base to continuously meet the standards and requirements of laws and regulations.
4. The company manager's representative re-edited the employee manual documents, and the employees' past work experience accumulated within the company's calculated annual leave, and organized employees for training and learning.
5. The company manager represents all employees to train and study the company's annual leave system, making it clear that employees can take annual leave freely.
6. The company manager represents all employees to train and study the company's paid policies, sick leave, marriage, funeral leave, maternity leave and other policies. Employees can take free leave when they meet the requirements.

Action Plan no 2.

Description

1. We implement training for all personnel and actively encourage employees to participate in the purchase of social security. 2. We implemented a housing provident fund subsidy for all employees, and the subsidy was paid 144 yuan in the employee's salary.
3. We conducted training for all employees so that all employees can clearly understand paid holidays, and it is clear that employees can enjoy paid holidays freely.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. According to the time records for the period from July 2018 to August 14, 2019 and interview with the management, about 60% of workers' weekly working hours exceeded 60 hours in one to two weeks per month in about 60% of the reviewed months, with an average of 61 hours a week and a maximum of 65.5 hours in the fourth week of July 2019. [HOW.1.3]
2. According to the time records for the period from July 2018 to August 14, 2019 and worker interview, 90% of workers' monthly overtime hours exceeded 36 per month in all the reviewed months except February 2019, with a maximum of 82.5 overtime hours in June 2019. [HOW.1.1]
3. The factory sets production plan based on 48.5 hours per week (a total of five days per week with eight hours each day, plus eight point five overtime hours on Saturdays). Factory management sets production targets and production system at a level that workers need to work eight point five overtime hours per week. [ER.24]
4. According to the time records for the period from July 2018 to August 14, 2019 and interview with the management, about 60% of workers could not be guaranteed with one day rest in seven-day period in about 30% of the reviewed weeks, working an average of eight consecutive days and a maximum 13 consecutive days from September 3 to 15 in 2018. [HOW.2]

Local Law or Code Requirement

The China Labor Law, Article 41. FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1 and HOW.2)

Recommendations for Immediate Action

1. Ensure total working hours do not exceed 60 in a week.
2. Ensure that overtime hours do not exceed 36 in a month.
3. Set production plan based on regular working hours.
4. Provide one day off in every seven-day period.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We will establish a man-hour control system and continuously improve the total man-hours over 60 hours per week
2. We will establish a working time control system to continuously reduce the monthly overtime hours and gradually achieve a total monthly overtime of no more than 36 hours.
3. We will compile the factory work plan and capacity planning according to the working hours of 8 hours a day, no more than 60 hours per week, and no more than 36 hours of overtime per month.
4. We will control the working hours to ensure that there will be a day off for 6 consecutive days of work.

Company Action Plan Update

1. The company management representatives carry out reasonable work plans and capacity planning; provide training to employees to increase speed and efficiency; increase machines or workers to expand production capacity, continuously reduce

weekly working hours, and gradually reach weekly working hours The goal is not to exceed 60 hours.

2. The company management representatives carry out reasonable work plans and capacity planning; provide training to employees to improve speed and efficiency; increase machines or workers to expand production capacity, continuously reduce monthly overtime hours, and gradually reach monthly overtime hours The goal is not to exceed 36 hours.

3. Company managers organize training on behalf of relevant personnel in the production department. During the preparation of work plans and capacity planning, they should work according to the standard of 8 hours per day, no more than 60 hours per week, and no more than 36 hours of overtime per month. Prepare work plan and capacity plan for the factory.

4. The company management representatives carry out reasonable work planning and capacity planning; provide training to employees to improve speed and efficiency; increase machines or workers to expand production capacity, continuously reduce employees' working hours, and gradually achieve employees' continuous work for 6 days Rest one day.

Action Plan no 2.

Description

We have controlled the working hours of employees to ensure that employees can work for 6 consecutive days and take a day off. The working time does not exceed 60 hours per week.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. 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 (Freedom of Association Benchmark FOA.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We will contact and consult local union organizations to establish factory unions.

Company Action Plan Update

Company management representatives maintain good communication with the local federation of trade unions and establish a union organization in the factory.

The trade union committee must be democratically elected at the committee meeting, and the factory management cooperates with the factory's union organization to carry out related activities.

Action Plan no 2.

Description

We are actively contacting local unions and are preparing to participate and obtain relevant documents

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory has not maintained any disciplinary records. According to management interview, no workers have ever seriously broken factory rules. Verbal warning is the most common disciplinary action for workers with minor violation of factory rules. However, the factory does not know they should maintain disciplinary records. [ER.27.3.4]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We will keep related records of rewards and punishments.

Company Action Plan Update

We have designated the company's personnel clerk to record and save the relevant rewards and punishments of the factory, and the form of verbal warnings should also be recorded. The company management representative regularly checks the implementation of the records.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory has only maintained suggestion box opening records and not maintained any other documentation in relation to grievance process, including management reviews and actions taken to resolve the complaints and grievances. Interviews with workers and management note that some grievances have been raised and handled verbally and no records are maintained. [ER.25.2]

2. According to worker interviews, workers are only informed of two out of four grievance channels including speaking to supervisors or management in person and submitting grievances anonymously via the suggestion box. Workers are not aware that they can also submit grievances by writing letters to their supervisors, and by calling and sending messages to their managers. Workers do not have access to their managers' phone numbers either. In addition, 90% of the interviewed workers do not understand the grievance resolution process. [ER.25.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We will also record and keep the oral suggestions of workers.
2. We organize training for all workers to clearly understand all complaint channels of the factory: talk to the supervisor or management in person, submit complaints through the suggestion box, write to the department head or management, call and send messages to the manager Or management to appeal. Workers will publicize the phone numbers and email addresses of managers and management, so that all workers know the channels and methods of complaints.

Company Action Plan Update

1. The factory designated personnel department opens the suggestion box every month, and goes to the department manager and management department to understand and record the workers' suggestions and complaints. The company management representative goes to the personnel department to monitor and check their confidence every month.
2. The company management representative is responsible for organizing training for all workers at least once a year, so that all their workers have a clear understanding of all the complaint channels of the company, and are responsible for publicizing the complaint channels on the spot.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. About 40% of fire extinguishers do not have labels or have illegible labels indicating manufacture date and inspection date. [HSE.6.2]
2. One of the two emergency exits in the cutting workshop is locked and no longer used as emergency exit because it is leading to an electric vehicle warehouse, with a different owner. However, it is still marked with emergency exit sign instead of "Not an Exit" sign. Assessor Note: There are about 100 square meters in cutting workshop with five workers inside during work hours. It is in compliance with legal requirement to have one emergency exit. [HSE.5.1]
3. The factory only posts names and photos of first aid responders throughout the factory. However, the factory does not post the contact information for medical response. [HSE.6.1]
4. The traffic lanes and walk paths are not marked in the factory compound. [HSE.14.1]
5. The factory does not provide safety information to contractors. [HSE.1]

Local Law or Code Requirement

Code for Acceptance and Inspection of Extinguisher Distribution in Buildings, Article 2.2.1; Code of Design on Building Fire Protection and Prevention, Article 10.3.5. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5, HSE.6 and HSE.14)

Recommendations for Immediate Action

1. Post label on each fire extinguisher to indicate manufacture date and inspection date.
2. Remove emergency exit sign from the locked exit in cutting workshop and mark it with "Not an Exit" sign.
3. Post contact information of first aiders throughout the factory.

4. Clearly mark the traffic lanes and walk paths in the factory compound.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We replace all fire extinguishers with unclear labels at the site to ensure that all fire extinguishers at the site are clearly labeled.
2. We posted "non-safe exit" signs on exit sites in the cutting workshop that are not emergency exits.
3. We will publicize the contact information of emergency personnel on the spot.
4. We mark the lanes and sidewalks in the factory area.
5. We need to inform external contractors / expatriates of some company safety issues (such as emergency assembly points in factories, escape routes, etc.).

Company Action Plan Update

1. We will designate the factory electrician to be responsible for the inspection and replacement of all fire extinguishers on site, and if there is any non-compliance with the requirements, we will improve it in time. The factory manager representative will conduct daily supervision and inspection.
2. We will designate the factory electrician to be responsible for inspecting all safety exits on the site to ensure that all safety exits have the "safe exit" sign, and those who are not safe exits must post the "non-safe exit" sign. Factory management representatives conduct daily supervision and inspection.
3. The representative of the factory manager is responsible for checking the information of the first-aid personnel at the scene. It must ensure that the information of the first-aid personnel posted on the scene is complete, including the name, photo, and contact information of the first-aid personnel.
4. The factory-designated electrician will mark the lanes and sidewalks within the plant area and perform routine maintenance to ensure that the on-site route is clear.
5. Representatives of factory managers train security personnel. Before foreign contractors / external personnel enter the factory area, security personnel will inform them of the company's safety matters (such as the emergency assembly point of the factory, the escape route of the factory, etc.) On behalf of the daily supervision and inspection of its implementation.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory conducted occupational hazards testing in December 2018. However, the occupational hazards test report does not include dust test for downing-filing area. [HSE.1]
2. The factory has provided on-job occupational health examinations for all three filing workers with exposure to cotton dust. However, the factory does not provide pre-job or post-job occupational health examinations to these workers. [HSE.1]
3. The factory has not conducted the pre-assessment of occupational disease hazards, assessment of the effects of occupational disease hazards, or assessment of current conditions of occupational disease hazards since the construction of production building completed in 2008. [HSE.1]
4. The factory does not take steps to reduce repetitive-motion stress or injuries. There are no proper backrests on the chairs for workers working with sitting position, no anti-fatigue mats for workers working with standing position, and no lifting belts for loading workers. [HSE.17.1]

Local Law or Code Requirement

Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20; China Law of Prevention and Control

Recommendations for Immediate Action

1. Conduct occupational hazards test for downing-filing area.
2. Provide pre-job and post-job occupational health examination to workers with exposure to cotton dust.
3. Provide workers with lifting responsibilities with lifting belts.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We will contact the qualified units to re-test the occupational disease hazards in the factory, including all the factory processes, including dust testing in the filling workshop.
2. We will conduct occupational health inspections for all workers exposed to dust before, during, and after work.
3. We will contact qualified third-party agencies to conduct an assessment of the status of occupational hazards in the factory.
4. We will strictly follow the ergonomic requirements to provide chairs with backrests for seated workers, anti-fatigue pads for workers in standing position, and safety belts for loaders.

Company Action Plan Update

1. Due to the strong seasonality of clothing factories, representatives of factory managers must arrange for the summer of occupational disease hazard tests to ensure that all factory processes are performed during production.
2. We designate the personnel of the factory personnel department to be responsible for all occupational health inspections of all employees exposed to dust before, during and after work, and keep relevant records, and the factory management representatives will supervise and inspect their implementation.
3. We will designate the factory manager representative to be in charge of contacting a qualified third-party agency to conduct an occupational hazard impact assessment on the factory.
4. We will designate the production manager to be responsible for the implementation of the ergonomics of the on-site workers, equip the workers with the necessary items, and the factory manager representatives will conduct daily supervision and inspection of their implementation.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has installed pulley guards on both button punch machines. However, the transmission belts on both button punch machines are not fully enclosed by the pulley guards. [HSE.14.1]
2. One of the three electrical boxes in the warehouse is blocked by various materials. [HSE.13]
3. The factory has installed regular lights instead of explosion-proof lights in the finished products warehouse. [HSE.13]
4. The factory has never conducted testing on the lightning protection system in production and office building. [HSE.13]

5. The factory has been using one compressed gas cylinder with volume of 600L and nominal pressure of 0.88 MPa since year 2016, which belongs to Simple Pressure Vessel. But the factory has never conducted inspection on safety valve or pressure gauge of the pressure vessel as per law. [HSE.14.1]

Local Law or Code Requirement

Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.1.6; Electricity Safety Guidelines, Article 5.1.1; Rules on Administration of Fire Safety in Warehouses, Article 38; Technical Specifications for Inspection of Lightning Protection System in Building, Article 6; Special Appliance Quality Safety Monitoring Regulation, Article 28. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.13 and HSE.14)

Recommendations for Immediate Action

1. Fully enclose the transmission belts on button punch machines with pulley guards.
2. Remove materials and keep electrical boxes easily accessible.
3. Install and use explosion-proof lights in the finished products warehouse.
4. Conduct annual testing on the lightning protection system and maintain testing reports.
5. Conduct annual inspection on safety valve and semi-annual inspection on pressure gauge of the pressure vessel.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We immediately repaired the belt guard of the button punch to ensure that the pulley was completely enclosed.
2. We immediately remove the items blocking the electric box, and make sure that nothing is placed in front of the electric box to ensure smooth flow.
3. We immediately replaced the conventional lighting in the finished product warehouse with explosion-proof lighting.
4. We will contact a qualified third-party organization to test the lightning protection system in the factory's production and office buildings.
5. We contact qualified agencies to test the safety valves and pressure gauges of pressure vessels.

Company Action Plan Update

1. We designate the machine repair personnel of the production department to be responsible for the inspection and maintenance of all the machines on the site. If there are hidden safety hazards, we will repair them in time to ensure that the machines on site are in good condition and safe.
2. We designate the supervisors of the workshops as the responsible persons in the respective areas of the site. They are responsible for checking that the front of the electrical box on the site is not blocked by any items, and timely improvement is found if they do not meet the requirements.
3. We will arrange an electrician to inspect and maintain the lighting tubes in the warehouse, and find that the warehouse is not an explosion-proof tube and replace all of them with explosion-proof tubes in a timely manner.
4. We designate the factory manager representative to be in charge of contacting a qualified third-party agency to conduct regular

lightning protection system tests on production and office buildings.

5. We designate the factory manager representative to contact qualified institutions to regularly test the safety valves and pressure gauges of pressure vessels and save relevant test reports.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not implemented a lockout-tagout procedure, and has not provided tags or locks to maintenance staff. [HSE.14]
2. There is no soap, toilet paper, or drying facilities in all of the toilets in the production area. [HSE.19]
3. The factory has not installed private doors for 10% of the toilets in the production area. [HSE.20]
4. The factory does not provide safety training to designated electrical workers, lockout-tagout, and work at heights. [HSE.14.2]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.14, HSE.19, and HSE.20)

Recommendations for Immediate Action

1. Implement an effective lockout-tagout system
2. Provide soap, toilet paper and drying facilities in toilets.
3. Install private doors for all toilets.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We immediately established a "locking / tagout program file", and the electrician strictly followed the factory's "locking-tagout program file" during the implementation process.
2. We immediately placed soap, toilet paper and towel facilities in all toilets in the production area,
3. We immediately repair the damaged parts of the toilet privacy door.
4. We train the electricians in the factory on the "tagging / locking procedure files".

Company Action Plan Update

1. We designate the factory manager representative to be responsible for the establishment and formulation of all the program files of the factory, and the personnel department will keep the files and materials. The manager representative will regularly check the integrity of the factory program files, and provide timely supplements and updates for missing files.
2. We designate the Personnel Department to be responsible for regular inspection of toilets in various areas, and provide timely supplementation for missing items such as soap, toilet paper and towels.
3. We designate the Personnel Department to be responsible for the inspection of the toilets in various areas on a regular basis, and timely arrange personnel to repair the damaged places such as privacy doors to ensure the integrity of the facilities.

4. The representative of the factory manager is responsible for training the electrician personnel on the implementation of the "tagging / locking procedure files". Training is conducted at least once a year, and the training records are archived and kept by the personnel department.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have policies or procedures on demotion and job reassignment. [ER.30.1]
2. The policies and procedures on performance reviews do not outline steps and processes, demonstrate linkages to job grading, or ensure that written feedback is provided. [ER.29.1]
3. The factory does not have policies or procedures on Industrial Relations. [ER.1.1]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We rewrite policies or procedures for demotions and transfers.
2. We re-written the "Performance Evaluation Policies and Procedures", giving a complete overview of its steps, processes (evaluation, employee confirmation, feedback), etc.
3. We will rewrite the "procedures for labor negotiations".

Company Action Plan Update

1. We designate the factory manager representative to be responsible for re-writing the "demotion and transfer policies or procedures", and the personnel department will keep the files and materials. The manager representative will regularly check the integrity of the factory procedure files and provide timely supplementation for missing documents And updated.
2. We designate the factory manager representative to be responsible for re-writing the "Performance Evaluation Policies and Procedures", and the personnel department will keep the documents and materials. The manager representative will regularly check the integrity of the factory procedure files and provide timely supplements and updates for missing documents. .
3. We designate the factory manager representative to be responsible for re-writing the "procedures for labor and management negotiations", and the personnel department will keep the documents and materials. The manager representative will regularly check the integrity of the factory procedure files, and timely supplement and update the missing documents.

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The orientation training to new workers does not include Recruitment, Hiring & Personnel Development, Termination & Retrenchment, or Industrial Relations. [ER.15.1]
2. The ongoing training to workers does not include Recruitment & Hiring, Grievance System, or Termination & Retrenchment. [ER.1.2]

3. The factory does not provide specific training to relevant managers or supervisors on any of the Employment Functions. [ER.17.1]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We increase induction training for new workers (including recruitment, hiring and staff development, firing and layoffs or labor relations, etc.).
2. We increase training programs for on-the-job employees, such as recruitment and employment, complaints system or dismissal and layoffs.
3. We provide training for relevant employment functions to relevant managers or supervisors.

Company Action Plan Update

1. The factory manager representative rewrites the induction training content for new employees, and the personnel department implements training for new employees according to the new training items, and the manager representative supervises and inspects the training results.
2. The factory manager's representative re-writes the training plan and training content of the employees. The person in charge of the corresponding department organizes the employees to carry out the relevant training. The manager's representative supervises and checks the training results.
3. The factory manager's representative re-writes the training plan and training content of special personnel, and the manager will implement the relevant training content on behalf of the organization's personnel.

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory has not conducted management or internal reviews to ensure that policies and procedures are updated according to local laws, FLA Workplace Code and Benchmarks for Employment Functions including Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Grievance System, Workplace Conduct & Discipline, and Termination & Retrenchment. [ER.1.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We immediately conduct management and internal reviews to ensure that policies and procedures are updated in accordance with local laws, the FLA Workplace Code and employment function benchmarks (including recruitment, employment and staff development, compensation, working hours, labor relations, grievances).

Company Action Plan Update

Factory management representatives perform management and internal audits at least once a year to ensure that system requirements are updated in accordance with local laws, policies and procedures such as the FLA Workplace Code and employment

functions.

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate to general workforce on its policies and procedures or their updates for Employment Functions including Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Environmental Protection. [ER.16.1]

2. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.16)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We immediately update employees' policies and procedures or related employment functions (including recruitment, hiring and staff development, dismissal and layoffs, labor relations, workplace behavior and discipline, grievance systems and environmental protection) with all employees communication.
2. We will systematically adopt and integrate workers' opinions during the establishment of relevant procedures.

Company Action Plan Update

1. Factory manager representatives should communicate with all workers when writing related policies and procedures (including recruitment, employment and staff development, firing and layoffs, labor relations, workplace behavior and discipline, grievance systems and environmental protection). Policies and procedures require staff involvement in the development process.
2. In the process of establishing factory manager representatives (including recruitment, employment and personnel development, dismissal and layoffs, labor relations, workplace behavior and discipline, grievance systems and environmental protection), factory workers will be involved, and Seek workers' needs and opinions, and systematically integrate workers' ideas.