



Verification Assessment

COMPANIES: Rawlings Sporting Goods Company, Inc.

COUNTRY: China

ASSESSMENT DATE: 12/29/17

ASSESSOR: FLA China

PRODUCTS: Other

NUMBER OF WORKERS:

FLA Comments

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

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation
1. There are no policies or procedures concerning production workers' personnel and career path development. The factory does not have training on skills or career path development for production workers, who make up more than 80% of the total workforce.
2. The factory has not established written policies and procedures for performance reviews that outline the review steps and process. Additionally, they do not conduct regular performance reviews for employees.
3. There are no written job descriptions prepared for any positions.
4. The factory has neither hired disabled workers nor contributed to the Employment Security Fund in lieu of employing disabled workers, which is a violation of local legal requirements.

Local Law or Code Requirement
Regulation on the Employment of the Disabled (2007), Articles 8 and 9: FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, and ER.29: Nondiscrimination Benchmark ND.2)

VERIFICATION RESULT

Finding Status
Not Remediated

Remediation Details
1. Finding Status: Not Remediated
Explanation: The factory has not established policies or procedures on raising or broadening workers' skills to advance their careers. The factory does not provide skills training or career path development for more than 80% of production workers. ER.1, ER.28
Root Causes: Factory management stated that they were not clear about the FLA requirement. In addition, the factory does not have a specific person who is responsible for skills training and career path development.
2. Finding Status: Not Remediated
Explanation: The factory has not established written policies and procedures for performance reviews that outline the review steps and processes. Additionally, they do not conduct regular performance reviews for employees. ER.1, ER.29
Root Causes: Factory management stated that they were not clear about the FLA requirement. In addition, the factory does not have a specific person who is responsible for performance reviews.
3. Finding Status: Remediated
Explanation: Based on a documentation review, assessors found that the factory has written job descriptions prepared for all positions.
4. Finding Status: Remediated
Explanation: Based on a documentation review, assessors found that the factory contributed to the Employment Security Fund in lieu of employing disabled workers.

Local Law or Code Requirement
FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.28, and ER.29)

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation
1. A review of social insurance payments from December 2013 to November 2014, and worker and management interviews, showed that the factory does not provide employees with sufficient social insurance coverage. In November 2014, 18% of employees were not covered by pension, medical, work - related injury, maternity and unemployment insurance. The factory provided commercial insurance for 18% employees who were not covered by social insurance from December 5, 2014 to December 4, 2015.
2. Social insurance contributions for all five types of social insurance are not paid in line with legal requirements. For example, as per legal requirements, pension insurance should be paid based on employees' average total wages for the past 12 months (at least CNY 2,600 per month based on payroll review). However, the factory only contributes pension insurance based on CNY 2,160 per month.
3. The employer has not contributed to the legally required Housing Provident Fund for any of the employees.
4. Based on documents review, and confirmation from factory management, the factory has not established a sick leave policy, and none of employees has ever taken paid sick leave.

Local Law or Code Requirement
China Labor Law, Articles 72 and 73: Social Insurance Law of the PRC; Article 12: Regulations On Management Of Housing Provident Fund Article 15: The Opinion of the Ministry of Labor on Several Questions concerning the Implementation of Article 59 of the China Labor Law: FLA Workplace Code (Employment Relationship Benchmark ER.22: Hours of Work Benchmarks HOW.16: Compensation Benchmark C.1)

Root Causes
1. -<!--[endif]-->Provide all workers with social insurance at the legal required contribution basis for medical, maternity, work-related injury, pension, and unemployment insurance.
2. -<!--[endif]-->Provide the legally required paid sick leave for employees.

VERIFICATION RESULT

Finding Status
Not Remediated

Remediation Details
1. Finding Status: Partially Remediated
Explanation: A total of 169 employees were legally eligible to receive the five types of social insurance in November 2017. However, the factory's social insurance enrollment list and payroll records show that only 159 these employees were enrolled in pension insurance, unemployment insurance, child-bearing insurance, medical insurance, and occupational injury insurance. ER.22, C.1, C.10
Root Causes: Enrolling all eligible employees in all five types of social insurance would be expensive for the factory. Workers were not willing to buy social insurance either.
2. Finding Status: Not Remediated
Explanation: Social insurance contributions for all 159 workers were not based on the workers' actual wages. For example, one worker earns a monthly wage of CNY 4500 (USD 681.81) and CNY 554.4 (USD 84.01) was contributed to social insurance; however, based the worker's actual wage, CNY 900 (USD 136.36) should have been contributed. ER.22, C.1, C.5
Root Causes: Basing social insurance contributions on workers' actual wages would be expensive for the factory. Furthermore, the factory is following industry norms.
3. Finding Status: Not Remediated
Explanation: Based on worker interviews and a documentation review, assessors found that the employer has not contributed to the legally required Housing Provident Fund for any of the employees. ER.22, C.1, C.10
Root Causes: Contributing to the Housing Provident Fund would be expensive for the factory. Furthermore, the factory is following industry norms.
4. Finding Status: Partially Remediated
Explanation: Based on a documentation review and factory management interviews, the factory has established a sick leave policy. However, there were no sick leave records available for review. Management claimed that none of the workers has ever taken paid sick leave, however, several workers stated that they have requested sick leave in the past year. ER.2, HOW.1, HOW.16, HOW.18, C.1

Local Law or Code Requirement
PRC Labor Law, Articles 72 and 73: Social Insurance Law of the PRC, Article 12: Housing Fund Management Regulation, Articles 15 and 17: FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.22: Hours of Work Benchmarks HOW.16 and HOW.18: Compensation Benchmarks C.1, C.5, and C.10)

Recommendations for Immediate Action
1. Enroll all eligible employees in all five types of social insurance.
2. Base contributions to social insurance on workers' actual wages.
3. Provide workers with paid sick leave as required by law. Train workers on the new sick leave policy so that they are aware that they can take paid sick leave when ill. Do not count sick leave as annual leave or deduct sick days from calculations concerning the length of service.

PREVIOUS FINDING NO.3

UNCORROBORATED RISK OF NON-COMPLIANCE

FINDING TYPE: Hours of Work

Finding Explanation
1. Inaccurate and incomplete time records were found during the assessment. According to fire facilities inspection records collected from the lab, the sample room, and the workshop, three employees worked on April 7, 2014. However, according to the time records and payroll records provided by factory management, none of these employees worked that day. According to private interviews with these workers, it was confirmed that they had worked on April 7 and swiped their IC (electronic attendance record) time card, but their working time was not recorded. Factory management said that they would investigate this issue and take proper measures to accurately record all employees' working hours.
Local Law or Code Requirement
FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23)
Recommendations for Immediate Action
Ensure that employees' working hours are completely and accurately recorded.

VERIFICATION RESULT

Finding Status
Not Remediated

Remediation Details
1. Explanation: The factory's level of transparency regarding workers' wages and working hours is of concern. It is assessors' subjective opinion that the factory did not provide accurate records for review. The main reasons for this opinion are as follows:
a. The factory was skilled at compliance assessments. According to factory management, they undergo around four or five compliance assessments by different customers each year.
b. The factory could not provide the CCTV records for the workshops. Management claimed that the CCTV footage could only be reviewed for the assessment day.
c. The attendance records provided to assessors indicated that workers only work between zero and two hours of overtime at night, working hours are no more than 60 hours per week on average, and all production workers have at least four days off each month. Furthermore, all workers potentially earn far above the local minimum wage and are paid overtime wages as per legal requirements. It is unusual for a low-skill mostly handwork factory in China to operate this way.
Based on the information provided above, the assessors believe that the factory may be hiding some overtime hours and have not provided complete records.

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation
1. There are no policies or procedures on Retrenchment. Therefore, the workforce is not communicated to regarding Retrenchment.
2. The Termination procedures do not include methods for calculating final payouts in accordance with legal requirements.

Local Law or Code Requirement
FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.19, and ER.32)

VERIFICATION RESULT

Finding Status
Not Remediated

Remediation Details
1. Finding Status: Not Remediated
Explanation: The factory has not established written policies or procedures on Retrenchment. Therefore, the factory did not communicate its Termination & Retrenchment policy and procedures to the general workforce. ER.1, ER.16, ER.19, ER.32
Root Causes: The factory did not know the FLA requirement, and no specialist is responsible for this work. Factory management stated that they didn't know this FLA requirement.
2. Finding Status: Not Remediated
Explanation: Based on worker interviews and a documentation review, assessors found that the Termination procedures do not include methods for calculating final payouts in accordance with legal requirements. ER.19
Root Causes: HR staff is unaware of the legal requirements.

Local Law or Code Requirement
FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.19, and ER.32)

PREVIOUS FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory does not maintain written records of disciplinary actions. As per worker and management interviews, there have been a few cases of regulations violations in recent years and factory management have handed them verbally without keeping records.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.27)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: Based on a documentation review and management interviews, the factory maintains written records of disciplinary actions and keeps the related regulations violations case records.

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory has not developed policies and procedure on a review process to ensure that updates are made according to local law and FLA Workplace Code requirements. As a result, they have conducted internal reviews for the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, and Environmental Protection.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.30, and ER.31)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1.Finding Status: Partially Remediated

Explanation: The factory has a review process for the Recruitment, Hiring & Personnel Development, Workplace Conduct & Discipline, and Grievance System policies and procedures to ensure that updates are made according to local law and FLA Workplace Code requirements. However, they still have not developed a review process for the Termination & Retrenchment or Environmental Protection policies and procedures. ER.1, ER.31

Root Causes: The factory has not conducted an audit of the management systems, so they do not have the necessary awareness and experience necessary to establish a social compliance system.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31)

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

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

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1.Finding Status: Partially Remediated

Explanation: Based on a documentation review and management interviews, the worker integration component is still missing across the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination & Retrenchment, and Environmental Protection. The factory has not established procedures to request worker's feedback regarding the creation, implementation, and updating of its policies and procedures. ER.1, ER.25

Root Causes: The factory claims that no specialist can be responsible for this work.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25)

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide specific training for managers and supervisors for following employment functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Environmental Protection.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.17 and ER.27)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation: The factory provides specific training for managers and supervisors on the following Employment Functions: Recruitment, Hiring & Personnel Development: Compensation, Hours of Work, Industrial Relations, Workplace Conduct & Discipline, and Grievance System. However, they still do not provide specific training for managers and supervisors on Termination & Retrenchment or Environmental Protection. ER.17

Root Causes: The factory management is unaware of how to conduct this training. The factory has not conduct an environmental system audit, so they do not have the experience and awareness to create an environmental management system.

PREVIOUS FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Traffic lanes and walking paths on factory premises are not marked. The factory has neither assessed, nor adopted, any visual signage and other aids to ensure that workers use safe driving practices on factory premises, such as indicators, convex mirrors on blunt ends, and reflectors.
2. The factory has not assisted workers with ergonomics, such as taking proactive steps to reduce repetitive- motion stress and injuries, or providing adjustable workstations for workers who work in sitting positions. Currently, there are only stools available for workers working in sitting positions, and no ergonomic breaks are provided.
3. The factory does not track and conduct statistical analysis for workers' illnesses.
4. The factory only provided occupational health examinations for 129 of the workers who use chemicals in the course of their work. The factory does not provide examination before and after these workers hold their work posts, violating legal requirements. Furthermore, the factory has not provided health examination verifications for 43 workers who were found with a suspected occupational illness during the occupational health examination in November 2014.
5. The factory does not have procedures that enable workers to raise health and safety concerns, and protect workers who raise concerns from retaliation.

Local Law or Code Requirement

The China Law of Prevention and Control of Occupational Diseases, Article 32: FLA Workplace Code (Employment Relationship

Benchmark ER.31.2.4: Health, Safety & Environment Benchmarks HSE.1, HSE.3, and HSE.17)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: The factory marked the traffic lanes and walking paths in the evacuation aisle. And they also installed visual signage and other safe driving aids such as indicators, convex mirrors in blunt ends, and reflectors.

2. Finding Status: Not Remediated

Explanation: Based on a factory tour and documentation review, assessors found that the factory did not establish an ergonomics program and does not provide training on ergonomics to workers. Chairs with backs were not provided to sitting workers in the sewing section and anti-fatigue mats were not provided to standing workers in the inspection section. Workstations are not adjustable to fit individual workers. Lifting belts and training are not provided to the relevant lifting workers. HSE.17

Root Causes: Factory management is completely unaware of ergonomics as a workplace health issue.

3. Finding Status: Remediated

Explanation: Based on worker and management interviews, no severe workers' illnesses occurred in the past year.

4. Finding Status: Partially Remediated

Explanation: Based on a documentation review, the factory provides health examinations to all workers exposed to occupational hazard factors, such as noise or dust in the workshop. However, the factory does not provide these examinations before and after workers hold hazardous work positions. No suspected occupational illnesses were found during a review of the health examination reports. HSE.1

Root Causes: Examinations would increase the cost to the factory.

5. Finding Status: Remediated

Explanation: The factory established procedures that enable workers to raise Health & Safety concerns and protect workers who raise concerns against retaliation.

Local Law or Code Requirement

PRC Occupational Disease Prevention Law, Article 35: FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.17)

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. While the factory has established a written lock out/ tag out policy, it has not created a list of equipment and/or machines that require lock out/ tag out.

2. Combustible materials, such as plastic material, are stored under one of the stairwells.

3. Drinking water facilities are located inside the production workshop, where hazardous chemicals are used.

4. Food service workers do not wear helmets, gloves, or masks while preparing and serving food.

Local Law or Code Requirement

Fire Safety of Building Design Regulation (GB50016-2006), Article 7.4.1: Hygienic standards for the Design of IndustrialEnterprises GBZ

1-2010, Article 7.3.2/ 7.1.1: Law of the CHINA on the Food Safety, (8), Article 27: FLA Workplace Code (Health, Safety &Environment

Benchmark HSE.1, HSE. 22, and HSE.23)

Recommendations for Immediate Action

1. Create a list of equipment and machines that require lock out/ tag out.
2. Remove combustible materials from the stairwell, and ensure that they are properly cleaned.
3. Relocate drinking water facilities outside the production workshop.
4. Require food service workers to wear hairnets, gloves or mask while preparing and serving food.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: The factory established a written lockout/tagout policy and created a list of equipment and machines that require lockout/tagout.

2. Finding Status: Remediated

Explanation: During a factory tour, assessors determined that all stairwells were clear and no combustible materials were stored in stairwells.

3. Finding Status: Remediated

Explanation: During a factory tour, assessors determined that drinking water stations are located outside the production workshop, far away from hazardous chemicals.

4. Finding Status: Remediated

Explanation: During a factory tour, assessors observed that the kitchen staff was wearing hairnets, gloves, and masks while preparing and serving food.

PREVIOUS FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Most employees have not received environmental protection training.
2. The factory does not have procedures in place that enable workers to raise environmental concerns and that protectworkers who allege environmental violations.
3. Hazardous waste, like chemical waste, is stored with non-hazardous waste.
4. Hazardous waste storage containers are not labeled as such.
5. Hazardous waste, such as fluorescent tube waste, in the factory is stored in the open, and the factory does not maintaintransfer manifests for tube waste.

Local Law or Code Requirement

China Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Articles 52, 58 and 59, Standard forPollution Control on Hazardous Waste Storage GB 18597-2001, Article 6.2.4; FLA Workplace Code (Employment RelationshipBenchmarks ER.17 and ER.31; Health, Safety & Environment Benchmark HSE.1 and HSE.9)

Recommendations for Immediate Action

1. Properly store hazardous waste, and separate it from the non-hazardous waste.
2. Properly label the hazardous waste container properly.
3. Maintain the transfer manifests for fluorescent tube waste.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Most workers have still not received specific or ongoing training on Environmental Protection. ER.1, ER.15

Root Causes: The factory management is unaware of how to conduct this training. The factory has not conduct an environmental system audit, so they do not have the experience and awareness to create an environmental management system.

2. Finding Status: Not Remediated

Explanation: The factory does not have procedures in place that enable workers to raise environmental concerns or that protect workers who allege environmental violations against retaliation. ER.31

Root Causes: The factory management is unaware of how to conduct this training. The factory has not conduct an environmental system audit, so they do not have the experience and awareness to create an environmental management system.

3. Finding Status: Remediated

Explanation: During a factory tour, assessors determined that hazardous waste, such as chemical waste, is stored separately from non-hazardous waste.

4. Finding Status: Remediated

Explanation: During a factory tour, assessor observed that the hazardous waste containers in the factory were labeled correctly and storage in the special warehouse.

5. Finding Status: Not Remediated

Explanation: Based on a factory tour and management interviews, assessors determined that hazardous waste, such as fluorescent tubes, were transferred to a regular waste disposal facility which is not qualified to dispose of hazardous waste. HSE.1, HSE.9

Root Causes: Factory management was unaware that fluorescent tubes were hazardous waste. The factory did not find a qualified hazardous waste disposal facility in the local area.

Local Law or Code Requirement

Regulation for Chemical Usage Safety in Workplace, Article 12; PRC Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 57; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, and ER.31; Health, Safety & Environment Benchmark HSE.1 and HSE.9)

Recommendations for Immediate Action

1. Dispose of all hazardous waste, including fluorescent tubes, through a qualified hazardous waste disposal facility.

PREVIOUS FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union -- the All China Federation of Trade Unions (ACFTU). According to the 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' mechanism. The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Due to legal requirements, this finding cannot be remediated in line with FLA and ILO best practices. FOA.2

Root Causes: Government limitations prevent the factory from complying with this requirement.

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.2)

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

100% of the 75 sampled workers' monthly overtime hours exceeded the legal maximum of 36 hours, ranging from 46 hours to 59 hours in the sampled months of April, August, and November 2017 with an average of 50 hours per month. HOW.1, HOW.8

Local Law or Code Requirement

PRC Labor Law, Article 41; FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.8)

Recommendations for Immediate Action

<!--[endif]-->Implement a reasonable production plan, increase productivity using positive means (such as bonuses), and reduce workers' overtime hours to ensure that they do not exceed 36 hours of overtime per month. Train workers on the Health & Safety dangers of excessive overtime.

NEW FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have written procedures on Environmental Protection, including managing its environmental impact within the factory and managing its environmental impact on its surroundings. ER.31
2. The factory does not communicate its Environmental Protection policies or procedures to the general workforce.

Local Law or Code Requirement

1. <!--[endif]-->FLA Workplace Code (Health, Safety & Environment Benchmark ER.31)

NEW FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory does not have a system through which workers can submit grievances or questions about wage payments and benefits

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark C.19)

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory did not register one of its four pressure vessels at the local Special Equipment Management Department. HSE.1
2. During a factory tour, assessors observed that chemical containers, such as the white glue used in the workshop and the chemical storage warehouse, were not labeled. HSE.9

Local Law or Code Requirement

1. <!--[endif]-->Special Equipment Safety Law of PRC, Article 33; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

2. <!--[endif]-->Regulation for Chemical Usage Safety in Workplace, Article 12

Recommendations for Immediate Action

1. <!--[endif]-->Label all chemical containers, including white glue, with their contents and main hazards.