



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: The Bradford Exchange
COUNTRY: China
ASSESSMENT DATE: 08/01/18
ASSESSOR: Openview
PRODUCTS: Jewelry [including watches]
NUMBER OF WORKERS: 181

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

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Contacts for the workers state that the paid monthly wages is the minimum wage plus allowances. 3% to 5% of employees were paid insufficient overtime wages in May, October, and November 2015, and January 2016. For example, one worker had 77 hours of overtime on weekdays and 46 hours on rest days in November 2015, but the factory only paid the worker CNY 820 (USD129.13) for overtime; according to the legal overtime rate, the factory should have paid him CNY 1972.31 (USD 310.6). Since the factory has a Cumulative Working Hour System, overtime wage should be calculated at 150% of the regular pay rate for both weekday and rest days.
2. The contribution base for the five types of social insurance is not in line with legal requirements. For example, the contribution for pension insurance should be based on the employee's average wage for the past 12 months (about CNY 4000 to CNY 4500 per month; USD 629.92 to USD 708.66). However, the factory only contributes to the pension insurance based on CNY 2,688 (~ USD 423.31) per month.
3. Only 15 (4.3% of the total workforce) employees are provided with the Housing Provident Fund. The factory only contributes to the Housing Provident Fund based on CNY1650 (USD259.84) for 2 of the 15 employees, instead of the employee's average total wage for the past 12 months, which is about CNY 3,000 (USD 472.44).
4. The weekday and rest day overtime hours are not included in workers' payroll records.
5. The factory does not issue last month wages to resigned workers in a timely manner. As per local legal requirements, the factory should pay these wages within five days of a worker's last day of employment.

Local Law or Code Requirement

China Labor Law, Articles 44 and 72; Regulation for the Payment of Wages in Zhejiang Province, Articles 15; Social Insurance Law of the PRC, Article 12; Regulations On Management Of Housing Provident Fund, Article 15; FLA Workplace Code (Compensation Benchmarks C.1, C.4, C.7, and C.13)

Recommendations for Immediate Action

Provide all workers with sufficient overtime wages, consistent with legal requirements.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Based on a review of the factory's Compensation procedures, contracts, and payroll records, as well as management interviews, all workers are compensated for overtime at the correct overtime premium rate.

2. Finding Status: Not Remediated

Explanation:

The factory bases its contributions to the five types of social insurance on the local minimum contribution base, which is CNY 3,279 (USD 471.12) per month. However, the contributions should be based on the workers' average wages for the past 12 months (about 80% of workers' monthly wages are between CNY 3, 500 (USD 502.87) and CNY 6,000 (USD 862.07) per month). [ER.22, C.1, C.5, C.10]

Root Causes:

1. The Chinese social insurance system is still being developed, so the process to transfer insurance funds is complicated.
2. Workers don't want to contribute more to social insurance because doing so will decrease their take-home income.
3. The factory is not willing to bear the rising costs of calculating social insurance contributions based on workers' actual earnings.

3. Finding Status: Partially Remediated

Explanation:

According to a review of the factory's Housing Provident Fund payment records and management interviews, the factory contributes to the Housing Provident Fund on behalf of all workers. However, the contributions for 204 out of 213 workers are based on CNY 2,010 (USD 352.26) instead of the workers' average monthly wages over the last year. About 80% of the workers' actual monthly wages are between CNY 3, 500 (USD 502.87) and CNY 6,000 (USD 862.07). [ER.22, C.1, C.5, C.10]

Root Causes:

1. The uncertainty of future benefits makes some workers unwilling to contribute too much to the Housing Provident Fund.
2. The factory is not willing to bear rising costs of calculating Housing Provident Fund contributions based on workers' actual earnings.

4. Finding Status: Remediated

Explanation:

According to a review of the payroll records for the period from October 2017 to September 2018, week day and rest day overtime hours are included in workers' payroll records.

5. Finding Status: Partially Remediated

Explanation:

According to a review of the factory's payroll records and management interviews, the factory pays termination payouts to resigned workers within five working days of the worker's last day of employment, instead of within five calendar days of a worker's last day of employment. For example, a worker resigned on November 2, 2018, and the factory paid termination payouts to this worker on November 9, 2018. [ER.18, C.1, C.4]

Root Causes:

1. Factory management does not have an accurate understanding of the legal requirements.

Local Law or Code Requirement

Social Insurance Law of the People's Republic of China, Articles 12 and 58; Regulations on Management of Housing Provident Fund, Articles 3 and 15; Regulation for the Payment of Wages in Zhejiang Province, Article 15; FLA Workplace Code (Employment Relationship Benchmarks ER.18 and ER.22; Compensation Benchmarks C.1, C.4, C.5, and C.10)

Recommendations for Immediate Action

1. Base contributions to all five types of social insurance on workers' actual wages.
2. Pay termination payouts within five days of the termination of employment as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#1-2 factory is continuing to communicate with workers and will adjust contribution to all five types social insurance base on worker's actual wages. Please see attached new form based on local government.

#1-3 factory is communicating with workers on further scheme. Please see attached receipt.

#1-5 factory have been paying termination payouts within five days of the termination already from Nov. 2018.

The notice was posted for employees and the procedure has been amended. Please see the attachment. #1-5

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory has established a system to manage working hours and leave for both normal and exceptional circumstance. However, the system does not include management of special categories of employees.
2. Weekly working hours for 20% to 60% of sampled workers exceeded 60 hours for a duration of 1 to 2 weeks per month in May and October 2015, and January and April 2016, with a maximum of 76.5 hours recorded in December 2015.
3. About 25% to 30% of sampled workers did not regularly receive one day off every seven-day period in December 2015 and April 2016. They worked a maximum of 26 consecutive days in December 2015.
4. The factory obtained two permits to implement a cumulative working hours system: one permit was valid from Aug 01, 2014 to Jul 31, 2015 and the other is valid from Aug 01, 2015 to Jul 31, 2016. Based on sampling the total working hours are still under the legal limit of 2432 hours. However, for the former permit, from Aug 01, 2014 to Jul 31, 2015, the total working hours of about 30% of the production workers exceeded the limit.

Local Law or Code Requirement

Instruction on the Implementation of the China Labor Law, Article 65; FLA Workplace Code (Employment Relationship Benchmark ER.23; Hours of Work Benchmarks HOW.1 and HOW.2)

Recommendations for Immediate Action

1. Ensure workers do not work more than 60 hours a week.
2. Ensure employees have at least one day off every seven-day period.
3. Reduce working hours to comply with the approved cumulative working hours system.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a review of the factory's policies and procedures as well as management interviews, the factory has established a system to manage working hours and leave for special categories of workers.

2. Finding Status: Not Remediated

Explanation:

According to a review of the time records for the period from October 2017 to November 10, 2018 as well as worker interviews, the weekly working hours for 30% of workers exceeded 60 hours in one to four weeks per month in October, November, and December 2017 and January, April, and May 2018. About 3% of workers' worked a maximum of 83 hours in one week in May 2018. [HOW.1, HOW.8]

Root Causes:

1. The shipping date required by nearly all customers is very tight. Workers have to work overtime to finish the orders on time.
2. There are obvious peak seasons and low seasons.
3. The factory does not make adequate preparations for dealing with production orders during the peak season.
4. Staffing levels are out of sync with production volumes.

3. Finding Status: Not Remediated

Explanation:

According to a review of the time records for the period from October 2017 to November 10, 2018 as well as worker interviews, about 35% of workers did not receive one day off in every seven-day period in October, November, and December 2017 and January, April, and May 2018. About 3% of workers worked a maximum of 25 consecutive days from May 2 to 26, 2018. [HOW.1, HOW.2]

Root Causes:

1. The shipping date required by nearly all customers is very tight. Workers have to work overtime to finish the orders on time.
2. There are obvious peak seasons and low seasons.
3. The factory does not make adequate preparation for dealing with production orders during the peak season.
4. Staffing levels are out of sync with production volumes.

4. Finding Status: Not Remediated

Explanation:

The factory has obtained two permits to implement a quarterly Cumulative Working Hours System (CWHS). One permit was valid from August 1, 2017 to July 31, 2018 and the other is valid from August 1, 2018 to July 31, 2019. However, according to a review of the time records for the period from October 2017 to November 10, 2018, the total working hours for about 40% of workers exceeded the approved CWHS limit of 620 hours per quarter; during the period from May 1 to July 31, 2018 these workers worked between 630 and 779 hours. [HOW.1, HOW.7]

Root Causes:

1. The shipping date required by nearly all customers is very tight. Workers have to work overtime to finish the orders on time.
2. There are obvious peak seasons and low seasons.
3. The factory does not make adequate preparation for dealing with production orders during the peak season.
4. Staffing levels are out of sync with production volumes.

Local Law or Code Requirement

Instruction on the Implementation of the Labor Law of the People's Republic of China, Article 65; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2, HOW.7, and HOW.8)

Recommendations for Immediate Action

1. Do not allow or require workers to work more than 60 hours per week (including regular and overtime hours).
2. Provide all workers with 24 consecutive hours of rest in every seven-day period.
3. Do not allow or require workers working hours to exceed the approved CWHS limit.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#2-2, 3 and 4 the factory will continue to make better arrangement for production scheme and communicating with client on order distribution, then control overtime work at legal requirements.

The factory now makes production schedule for batch orders and has daily production report. The factory will strengthen the skill training for employees and make training plans for departments.

Planned completion date

09/10/16

Company Action Plan Update

#2-2, 3 and 4 the factory is implementing a new production plan to allow for time off during peak period.

PREVIOUS FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The factory's current disciplinary procedures include monetary fines/deductions as a form of disciplinary action. If a worker is late for work for more than 20 minutes per month, there is a deduction of CNY 20 (USD 3.15). Employees that have been subjected to a warning receives a deduction of CNY 10 (USD 1.57). A minor demerit record results in a deduction of CNY 10 (USD 1.57), and a major demerit record for missing the punch in- and-out records results in a deduction of CNY 30 (USD 4.72).

Local Law or Code Requirement

China Labor Law, Article 50; FLA Workplace Code (Harassment and Abuse Benchmark H/A.2)

Recommendations for Immediate Action

Discontinue monetary fines as a form of workplace discipline.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a review of the factory's Workplace Conduct & Discipline procedures and worker interviews, the factory no longer uses monetary penalties as a form of discipline. If a worker is more than 20 minutes late, they receive a warning.

PREVIOUS FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The job application form includes a question regarding marital status, which may lead to discrimination during the recruitment process. 2. The job advertisement for junior clerk requires applicants to be 18~25 years old.

Local Law or Code Requirement

China Labor Law, Article 12; FLA Workplace Code (Employment relationship ER.3; Non-discrimination Benchmark ND.2 and ND.6)

Recommendations for Immediate Action

1. Remove any questions pertaining to marital status from the job application form. 2. Remove age requirements from job advertisements.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

The factory's new job application forms do not include questions regarding applicants' marital status and ensure that the recruiting process is not discriminatory.

2. Finding Status: Remediated

Explanation:

The factory has removed the age limits from its job advertisements. There is no evidence of age discrimination in the factory.

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory requires some workers to sign three-year contracts that provide for an extended probation period of 6 months. 2. The wage information section is blank on some workers' labor contracts. 3. The factory's human resource procedures do not include job descriptions for each category of position. 4. The factory does not have written policies and procedures outlining the process for performance reviews; therefore, the factory does not conduct regular performance reviews. 5. There are no policies and procedures

regarding production workers' career paths and Personnel Development; therefore, the factory does not have specific career paths or skill development plans for production workers. Production workers make up more than 90% of the factory's total workforce. 6. The factory has not clearly defined a person responsible for managing Retrenchment. There is no written policies or procedures on handling possible retrenchment; for example, there is no guideline on how to calculate final payouts.

Local Law or Code Requirement

Law of the People's Republic of China on Employment Contract Article 17; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.15, ER. 25, ER.27, ER.29, ER.30, and ER.32)

Recommendations for Immediate Action

Revise the probation period to a maximum of three months.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a review of the workers' employment contracts and manager and worker interviews, the probation periods for new workers do not exceed three months.

2. Finding Status: Remediated

Explanation:

According to a review of the workers' employment contracts, the factory includes wage information in worker's contracts.

3. Finding Status: Remediated

Explanation:

According to a review of the factory's procedures, there are written job descriptions for each position.

4. Finding Status: Not Remediated

Explanation:

According to a review of the factory's policies and procedures, there are no policies or procedures outlining the performance review process; therefore, the factory does not conduct regular performance reviews. [ER.1, ER.29]

Root Causes:

1. Workers' performance is mainly evaluated by their piece-rate earnings.

5. Finding Status: Partially Remediated

Explanation:

According to a review of the factory's policies and procedures, there are policies and procedures regarding promotions and skill development. The factory has specific career paths and skill development plans for production workers. However, there are no clear criteria for promotions, and workers' promotions are based on the supervisors' judgment. In addition, there are no procedures on demotion or job reassignment. [ER.1, ER.30]

Root Causes:

1. Management does not fully understand the FLA Workplace Code and Benchmarks.

2. Management does not periodically review its Personnel Development policies and procedures to ensure that they are updated according to the FLA Workplace Code and Benchmarks.

6. Finding Status: Partially Remediated

Explanation:

According to a document review and management interviews, the factory has clearly defined the person responsible for managing Retrenchment and has established written policies and procedures on Retrenchment. However, the Retrenchment policies and procedures do not include guidelines on how to calculate final payouts. [ER.1, ER.19, ER.32]

Root Causes:

1. Management does not fully understand the FLA Workplace Code and Benchmarks.

2. Management does not periodically review its Retrenchment policies and procedures to ensure that they are updated according to the FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.29, ER.30, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

#5-4 the factory agreed to make out procedure of worker's performance review.

#5-5 the factory agreed to work out the worker's promotion procedure.

#5-6 the factory agreed to add the procedure of retrenchment.

The procedure was drafted by the HR department. It was being communicated to workers and management. After they come to an agreement on this, it will be announced and carried out.

Planned completion date

09/10/16

Company Action Plan Update

5-4, 5 and 6 the plans have been implemented and completed

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory has a trade union under the ACFTU (All China Federation of Trade Unions). However, instead of being directly elected by workers, all seven union representatives, and one union leader, were elected from a group of candidates proposed by the management of each department. 2. The factory has not provided the legally required office space and the necessary office equipment in order to enable the union to conduct daily meetings and for the union representatives to perform their functions. 3. Workers are not provided with a copy of the Collective Bargaining Agreement (CBA), and 90% of the interviewed workers were completely unaware of the content of the CBA. 4. 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 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.

Local Law or Code Requirement

Trade Union Law of the People's Republic of China, Article 46; FLA Workplace Code (Employment Relationship Benchmarks ER.16; Freedom of Association Benchmarks FOA 2, FOA.11, and FOA.15)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a review of the factory's union election records and management and worker interviews, the nine union representatives were re-elected by all workers in June 2017 and June 2018.

2. Finding Status: Remediated

Explanation:

According to assessors' onsite observations, the factory provides office space and office equipment for the union to conduct daily meetings and for the union representatives to perform their functions.

3. Finding Status: Partially Remediated

Explanation:

According to worker and management interviews, the factory does not provide workers with a copy of the Collective Bargaining Agreement (CBA). However, workers have received training on the CBA and 90% of the interviewed workers were aware of the content of the CBA. [ER.16]

Root Causes:

1. Management does not think that there is a need to provide all workers with a copy of the CBA;
2. Management does not fully understand the FLA Workplace Code and Benchmarks.

4. Finding Status: Not Remediated

Explanation:

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 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)

COMPANY ACTION PLANS

Action Plan no 1.

Description

#6-3 the factory agreed to provide all worker a copy of the collective bargaining agreement (CBA).

#6-4 The current CBA would expire on 5/30/2019. The trade union will update with a new CBA.

Planned completion date

09/10/16

Company Action Plan Update

6.3 The trade union has provided all workers a copy of the CBA.

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The grievance procedure allow workers to raise grievances through a variety of channels; this includes the human resources department, the union committee members, the suggestion and complaint boxes, and directly with supervisors. A union committee member also confirmed that she had received workers' complaints via phone. However, those complaints were not well documented and there has regularly been no response to these workers. There was only one record of a complaint in the past year. 2. Instructions and guidelines on how to use the suggestion boxes are not posted in the vicinity of the suggestion and complaint boxes. 3. There is no procedure guaranteeing that workers' may have a third-party witness present during the imposition of disciplinary action. 4. The factory does not properly train workers and supervisors on the grievance system.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2, ER.16, ER.25, and ER.27)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a review of the factory's grievance records and worker and management interviews, the factory records and responds to all complaints.

2. Finding Status: Remediated

Explanation:

According to assessors' onsite observations, the factory has posted instructions on how to use the suggestion boxes in the vicinity of the suggestion boxes.

3. Finding Status: Not Remediated

Explanation:

According to a review of the factory's Grievance System procedures and worker and management interviews, there are no procedures on workers' right to have a third-party witness present during the imposition of disciplinary actions. [ER.1, ER.27]

Root Causes:

1. Management does not understand what "a third-party witness" means and do not have a full understanding of the FLA Workplace Code and Benchmarks.

4. Finding Status: Remediated

Explanation:

According to a review of the factory's training records and worker and management interviews, the factory provides training on the Grievance System to all workers and supervisors.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

#7-3 the factory will update the procedure with the content of worker's right to have a third-party witness. The procedure has been communicated to workers by training. Please see the attachment #7.

Planned completion date

09/10/16

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The orientation training only focuses on employer rules and occupational health and safety. It does not cover policies for human resources, Industrial Relations, Grievance System, or Environmental Protection. 2. The ongoing training only covers technical training for workers who hold special operation permits, such as elevator operators and electricians. There is no ongoing training for most workers regarding the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System and Health, Safety & Environment.

3. The factory only provides management and supervisors with basic training on the Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.16, ER.17, and ER.28)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a review of the factory's annual training plans for the year of 2018, training materials, training records, and worker interviews, the factory provides comprehensive and effective orientation training on all of the Employment Functions to new workers.

2. Finding Status: Remediated

Explanation:

According to a review of the factory's annual training plans for the year of 2018, training materials, training records, and worker interviews, the factory provides ongoing training to workers on all of the Employment Functions and the training is effective.

3. Finding Status: Remediated

Explanation:

According to a review of the factory's annual training plans for the year of 2018, training materials, training records, and worker interviews, the factory provides specific and ongoing training to managers and supervisors on all of the Employment Functions and the training is effective

PREVIOUS FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

Worker integration has not been effectively implemented across all of the 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 and ER.25)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

According to a review of the factory's documents and minutes from the meetings between management and union representatives as well as management and worker interviews, the factory has established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures and provided training for employees. However, in practice the worker integration is insufficient. The factory seeks union members' agreement when updating its policies and procedures, but there is no comprehensive system to involve workers in the Management Functions (e.g. consulting with workers regarding policy and procedure development and during decision-making processes, involving entry-level workers on the Health & Safety Committee and in the Corporate Social Responsibility (CSR) review process, etc.). [ER.1, ER.25]

Root Causes:

1. Management does not fully understand the FLA Workplace Code and Benchmarks.
2. A lack of worker integration is very common in the manufacturing industry across China.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

#9-1 the factory will work with trade union to create a more comprehensive system to communicate with workers on factory's policy, procedure and other changes

Planned completion date

09/10/16

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have a centralized fire alarm system in the production building or dormitory buildings. There is no back-up power for the fire alarm. The factory does not have a visual fire alarm in areas where employees may have difficulty hearing an auditory alarm. 2. Electrical panels are not regularly inspected to ensure they are free of dust and well insulated. Overlapping and conjoined electrical cables are used to supply power to fans and vacuums in the production areas. 3. The factory does not have a complete and effective chemical inventory list. The chemical white oil (n-Hexane, CAS#110-54-3) was not included in the inventory list. 4. The chemical management procedures are not rigorously implemented for new chemicals. Appropriate personal protective equipment (PPE) is not provided for workers exposed to white oil, and the factory did not have material safety data sheets (MSDS) for white oil. 5. Some yellow glue is stored in a recycled water bottle without a proper chemical label. 6. Compressed oxygen and nitrogen cylinders are stored without a valve cap.

Local Law or Code Requirement

General Guide for Safety of Electric User, Article 6.7; Regulation for Chemical Usage Safety in Work Place, Article 14, Article 27; The Chemical Safety Labels Writing Rules (GB15258-2009), Article 4.3; Supervision Regulation on Safety Technology for Gas; Cylinder (TSGR0006-2014), Article 6.7; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.9, HSE.10, HSE.13, and HSE.14)

Recommendations for Immediate Action

1. Install a back up battery for the fire alarm system in all production, dormitory, and canteen buildings. Install a centralized fire alarm system in each building. Install a visual fire alarm in relevant areas of the factory (polishing department). 2. Obtain MSDS for all new chemicals. Acquire an MSDS for the white oil, and provide appropriate PPE, based on the MSDS, to workers exposed to white oil. 3. Replace the overlapping power cables in the old fans and vacuums in the production buildings. 4. Properly label all chemical containers with chemical identification, pictograms, signal words, and hazard statement. 5. Ensure all compressed oxygen and nitrogen cylinders are stored with the valve caps.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

According to assessors' onsite observations, the factory installed a centralized fire alarm system and a back-up battery for the fire alarm

in the production building, canteen building, and dormitory building. However, the factory has not installed a visual fire alarm in the casting workshop on the third floor of Building 3 where there is a high noise level and workers may have difficulty hearing an auditory alarm. [HSE.5]

Root Causes:

1. Management stated that they did not install a visual fire alarm because the high noise level in the casting workshop is not continuous (i.e. the noise level is high when workers are casting, but because workers are not always casting the noise level is not always high).

2. Finding Status: Partially Remediated

Explanation:

According to assessors' onsite observations and a review of the factory's electrical equipment inspection records, there is no dust on the electrical panels and the factory inspects the electrical panels every month. However, the cables used to supply power to the fans and vacuums in the plating workshop are overlapping and spliced together. [HSE.13]

Root Causes:

1. The electrician does not understand the risk of overlapping and conjoined electrical cables.

3. Finding Status: Remediated

Explanation:

According to a document review, the chemical inventory list is now complete and includes all chemicals used in the factory, including White Oil.

4. Finding Status: Remediated

Explanation:

According to management interviews and a document review, the factory updated its chemical management procedures to include new chemicals. During a factory tour, assessors observed that the factory provides masks for workers who are exposed to White Oil. The Material Safety Data Sheets (MSDS) for White Oil were provided for review.

5. Finding Status: Remediated

Explanation:

According to assessors' onsite observations and management interviews, yellow glue is no longer used in the factory. However, yellow oil is being used and the factory has replaced the recycled water bottle container with a plastic container that is correctly labeled and equipped with cover.

6. Finding Status: Remediated

Explanation:

According to assessors' onsite observations, the factory installed valve caps for the compressed oxygen and nitrogen cylinders

Local Law or Code Requirement

The General Guide for Safety of Electric User, Article 5.1.2; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.13)

Recommendations for Immediate Action

1. Install a visual fire alarm in the casting workshop.

2. Redo the wiring used to power the fans and vacuums in the plating workshop so that the wires do not overlap or conjoin.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#10-1 the factory installed a visual fire alarm in the casting workshop. See photo.

#10-2 the factory has agreed to redo the wiring in the plating workshop.

Planned completion date

09/10/16

PREVIOUS FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have any specific policies and procedures to protect of special categories of workers from exposure to workplace hazards. 2. Fire resistant doors are not installed on the production floor and evacuation stairs. Most doors are made of glass, wood, or common metal. 3. The training for the fire brigades is not effective, and the responsible staff does not have knowledge of fire prevention techniques. 4. The safety risk assessment for the production areas is not complete; for example, it does not include the laser machine. 5. Workers in the polishing department on the second floor of the #2 production building are exposed to excessive noise; however, the factory has not provided them with hearing protection. 6. Some machine safety operation instructions are not posted near the relevant workstations; for example, there is no safety operation procedure posted for the laser machines. 7. The factory has not conducted lightning protection assessments for the production buildings. 8. The factory has not effectively implemented lock-out/tag-out procedures; the factory does not provide the appropriate locks to maintenance staff. 9. Workers exposed to occupational disease risks receive pre, post, and on job health examinations; however, only 10% of off-the-job occupational health check-ups have been conducted. 10. The factory provided PPE selection criteria for review, but does not have criteria for PPE replacement. 11. The Environmental Health & Safety manager (EHS) reported no accidents in the factory; however, most minor or near miss accidents are not recorded or investigated. The factory does not conduct root cause analysis and do not have remediation plans ready to prevent the recurrence of such accidents. 12. There is no system in place for the regular sanitation and maintenance of the drinking water filters. The factory does not perform regular water sanitation tests. 13. The factory does not protect the food samples in the canteen; for example, there is no mechanism to ensure proper labeling of food samples. 14. The factory has not identified ergonomic risks in this factory. However, the following ergonomics issues were found at the factory: chairs/stools are not adjustable, have the proper back support, chairs and stools are made of uncomfortable material, uncomfortable working body positions, there are no attempts at job simplification, and there is no ergonomics training. 15. Heat stress and heat related health problems might arise for the workers who are exposed to heat sources and workers who work outdoors, especially in the plaster mold department. These risks are not included in current risk assessment study.

Local Law or Code Requirement

The Code for design of building fire protection and prevention (GB50016-2006), Article 7.4.5; Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Article 36; Law of the People's Republic of China on Production Safety, Article 42; Labor Law of the People's Republic of China, Article 57; Health Standard for Design of Industrial Enterprise, Article 7.3.2; Technical Specifications for Inspection of Lightning Protection System in Building (GB/T-21431-2008), Article 6; Law of the People's Republic of China on the Food Safety, Article 27; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.3, HSE.5, HSE.7, HSE.9, HSE.10, HSE.13, HSE.14, HSE.17, and HSE.23)

Recommendations for Immediate Action

1. Provide specific fire training for the internal fire brigade. 2. Provide appropriate locks to maintenance staff. 3. Provide hearing protection equipment to workers exposed to high noise. 4. Post safe operating procedures at all machines.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a document review, the factory updated its Health & Safety policies and procedures to include protections for special categories regarding exposure to workplace hazards.

2. Finding Status: Remediated

Explanation:

According to assessors' onsite observations and management interviews, the factory installed standard fire-resistant doors at all emergency exits leading to the stairwells.

3. Finding Status: Remediated

Explanation:

According to a document review and worker interviews, the factory retrained the fire brigades. The members of the fire brigades are now aware of all chemicals used in the factory, their potential fire risks, and the emergency action plans for fire and chemical emergencies.

4. Finding Status: Remediated

Explanation:

According to a document review, the factory conducted a new risk assessment for the production areas and provided assessors with a complete assessment report which includes the hazards associated with the laser machine.

5. Finding Status: Not Remediated

Explanation:

According to assessors' onsite observations, the factory has not provided earplugs for workers working in the polishing department on the second floor of Building 3. (The polishing workshop is located on the second floor of Building 3, not Building 2). [HSE.7]

Root Causes:

1. Management does not realize the occupational risk of excessive noise exposure.

6. Finding Status: Remediated

Explanation:

According to assessors' onsite observations, the factory posted safety instructions near the relevant workstations, including by the laser machines.

7. Finding Status: Remediated

Explanation:

The factory conducted a lightning protection assessment and provided the report for review; according to the report, the lightning protection system in the factory complies with local legal requirements.

8. Finding Status: Remediated

Explanation:

According to assessors' onsite observations and a document review, the factory updated its lockout-tagout (LOTO) procedures and now provides locks and signs to the maintenance staff.

9. Finding Status: Remediated

Explanation:

According to a document review and management interviews, 48 workers in the factory are exposed to occupational disease hazards. These workers undergo regular occupational health exams while employed at the factory as well as pre- and post-employment occupational health exams. All occupational health exam results were provided for review.

10. Finding Status: Remediated

Explanation:

According to a document review, the factory updated its PPE procedures to cover the criteria for PPE replacement. In addition, the PPE replacement records were provided for review.

11. Finding Status: Not Remediated

Explanation:

The factory does not keep accident records. According to factory management, there have not been any accidents in the factory, however, there were adhesive bandage usage records in the first aid kits which indicate that there have been some minor accidents.

[ER.2, HSE.3]

Root Causes:

1. Management does not fully understand what counts as an accident. They only consider major injuries and broken bones to be accidents.

12. Finding Status: Remediated

Explanation:

According to a document review and management interviews, the factory replaces the drinking water filters every month. In addition, a water sanitation test report was provided for review, which does not indicate any problems with the water quality.

13. Finding Status: Partially Remediated

Explanation:

According to assessors' onsite observations and interviews with canteen workers, canteen workers label the food samples with dates; however, they food samples are only kept for 24 hours instead of at least 48 hours as legally required. [HSE.19, HSE.22]

Root Causes:

1. Canteen workers do not fully understand the requirement to keep food samples for 48 hours.

14. Finding Status: Not Remediated

Explanation:

According to assessors' onsite observations and management interviews, the factory has not identified the ergonomic risks in the factory. In addition, the chairs and workstations are not adjustable and are not made out of a comfortable material. Workers with standing jobs are not provided with anti-fatigue mats. Workers do not receive training on ergonomics. [ER.1, HSE.17]

Root Causes:

1. Management stated that because the factory makes jewelry, which is light and small, the risk of ergonomic problems is not obvious.

15. Finding Status: Remediated

Explanation:

According to a document review, the factory conducted a new risk assessment that covered heat stress and heat-related health problems.

Local Law or Code Requirement

The Law of the People's Republic of China on Work Safety, Article 42; The Food Safety Operation Specifications for Catering Service, Article 7.9.2; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.2; Health, Safety & Environment Benchmarks HSE.3, HSE.7, HSE.17, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Provide earplugs for polishing workers.
2. Record all accidents that occur in the factory.
3. Keep food samples for at least 48 hours.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#11-5 the factory will provide all related worker earplugs and train worker on all PPE knowledge. See attached evidence.

#11-11 the factory has created a record system for all work injuries and accidents. See attached evidence.

#11-13 factory will inform and communicate with canteen to keep food samples for at least 48 hours.

#11-13 The factory sent a notice to the canteen. Please see attached notice with the signature from the canteen. See attached

#11-14 factory will consult related expert on the ergonomic knowledge and discuss with management and employee on solution. Please provide status.

Planned completion date

09/10/16

PREVIOUS FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The waste management plan does not include some hazardous waste like used machine oil, batteries, printer cartridges, empty chemical containers, etc. 2. The factory does not have hazardous waste collection areas in the production areas. Solid waste is not properly separated at the source; as a result, there is mixed solid waste, including hazardous waste, at the waste collection areas.

Local Law or Code Requirement

The People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Article 58 FLA; Workplace Code (Health, Safety, and Environment Benchmark HSE.1)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

According to a document review, the factory updated its waste management plan to include hazardous office waste (batteries and printer cartridges) and hazardous chemical waste (machine oil and chemical containers). A contract with a licensed hazardous waste disposal company and hazardous waste transfer manifests were provided for review.

2. Finding Status: Remediated

Explanation:

According to workers' onsite observations, the factory stores all hazardous waste in a segregated area.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Only three of the workers who have worked at the factory for more than ten consecutive years have signed open-ended employment contracts. The factory has not signed open-ended employment contracts with 59 out of 62 workers who have signed multiple consecutive fixed-term employment contracts or have worked at the factory for more than ten consecutive years as legally required.[ER.10]

Local Law or Code Requirement

Labor Contract Law of the People's Republic of China, Article 14; FLA Workplace Code (Employment Relationship Benchmark ER.10)

Recommendations for Immediate Action

Sign open-ended employment contracts with workers who worked at the factory for more than ten consecutive years or have signed at least two consecutive fixed-term employment contracts.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#13-1 the factory is working with workers on sign open-ended employment contracts with company at their own willing, and factory give all workers to have them decide the type of contract.

The factory signs employment contracts with workers at workers' own willing. Please see the attachment #13

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory publicly posts the names of workers subject to disciplinary measures as means of maintaining labor discipline. [H/A.6]

Local Law or Code Requirement

FLA Workplace Code (Harassment or Abuse Benchmark H/A.6)

Recommendations for Immediate Action

1. Stop publicly posting the names of workers subject to disciplinary measures as means of maintaining labor discipline.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#14-1 the factory will stop publicly posting the names of workers subject to disciplinary measures Immediately, and factory will issue a notice for this and put it up in public areas.

Company Action Plan Update

Please see the notice to workers to stop publicly posting the names of workers subject to disciplinary measures

NEW FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory does not follow legal requirements regarding overtime work for workers who are at least seven months pregnant. For instance, in September 2018 one pregnant worked overtime on three Saturdays (September 1, 15 and 22, 2018). [ER.14, HOW.1, HOW.4, ND.1, ND.8]
2. Overtime occurs because there are not enough workers. [HOW.1.2, HOW.6]

Local Law or Code Requirement

Special Rules on the Labor Protection of Female Employees, Article 6; FLA Workplace Code (Employment Relationship Benchmark ER.14; Hours of Work Benchmarks HOW.1, HOW.4, and HOW.6; Non-Discrimination Benchmarks ND.1 and ND.8)

Recommendations for Immediate Action

1. Do not allow or require workers who are at least seven months pregnant to work overtime.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#15-1 The factory will not allow overtime work for employees who are pregnant for seven months or more. We have made a notice stating that all the departments are not allowed to arrange overtime work for Employees who are pregnant for seven months or more.

#15-2 factory is making better arrangement for overtime work.

Company Action Plan Update

The factory makes production schedule for batch orders and has daily production report. The factory will strengthen the skill training for employees and make training plans for departments.

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not periodically review and update its policies and procedures on Personnel Development or Retrenchment. As a

result, the policies and procedures are not updated according to local laws and FLA Workplace Code and Benchmarks. [ER.1, ER.29, ER.30]

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

Factory conduct over-all review for company/factory policies and procedures and update accordingly.

Company Action Plan Update

The factory has set the procedure for creating policy, procedure and other changes and will update all the policies and procedures annually.

NEW FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not track workers' illnesses. [HSE.3]
2. The factory has not commissioned a government-accredited third party to conduct a Pre-Assessment of Occupational Disease Hazards, Assessment of Effects of Occupational Disease Hazards Control, or an updated Assessment of Current Condition of Occupational Disease Hazards. [HSE.1]
3. The Health & Safety policies and procedures do not include:
 - a. Steps for workers to raise health and safety concerns;
 - b. Protections against retaliation for workers who raise health and safety concerns;
 - c. Steps for reporting death, injury, illness, and other health and safety issues. [ER.1, ER.31]

Local Law or Code Requirement

Provisions on the Supervision and Administration of Occupational Health at Work Sites, Article 20 (2012); Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Articles 17 and 18; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1 and HSE.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

#17-1 the factory will create a track system for worker's illnesses and make record. See attached evidence.

#17-2 the factory conducted the assessment in Nov. and received the valid report in Dec., 2018, will make assessment periodically and control in daily operation.

#17-3 factory will update the health& safety policies and procedures and communicate with workers on the whole update process. The procedure has been communicated to the employees by training.

Company Action Plan Update

The assessment was conducted once a year. Last assessment was conducted on 11/21/2018. The assessment of 2019 will be conducted in December.

NEW FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. One of the two exit signs in the dining room on the second floor of the Canteen Building is not illuminated. [HSE.1, HSE.5]
2. On the first day of the assessment, there were fluorescent lamps installed in the stairwells instead of emergency lights. The factory corrected this issue on the second day of the assessment by installing emergency lights in all of the stairwells. [HSE.1, HSE.5, HSE.13]
3. None of the evacuation maps posted in the factory include information on the location of the fire alarms or first aid kits. [HSE.1, HSE.5]
4. Combustible materials such as cartons are stored in one of the stairwells on the first floor of Dormitory Building 1 and both of the stairwells on the first floor of Dormitory Building 2. [HSE.1, HSE.5, HSE.25]
5. There are no designated emergency assembly areas on the factory premises. As a result, workers do not know where to meet in the case of an emergency, although fire drills are conducted in the factory. [HSE.5]

Local Law or Code Requirement

The Code of Design on Building Fire Protection and Prevention, Articles 6.4.1 and 10.3.1; Escape and Evacuation-Principles and Requirements (GB/T 25894-2010), Article 7.3; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.13, and HSE.25)

Recommendations for Immediate Action

<!--[endif]-->Repair or replace the broken exit sign.

<!--[endif]-->Install emergency lights in all stairwells.

<!--[endif]-->Include the locations of the fire alarms and first aid kits on the evacuation maps.

<!--[endif]-->Remove all combustible materials from the dormitory stairwells. Monitor to ensure that they remain clear.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#18-1 the factory has replaced the broken exit sign, will conduct periodically check.

#18-2 the factory has installed emergency lights in all stairwells, will maintain well in daily operation.

#18-3 the factory will revise the evacuation map by adding the location of the fire alarm and first aid kits.

#18-4 The factory has removed all combustible materials, will conduct daily patrol and monitor daily to ensure that they remain clear.

#18-5 the factory is discussing on designating the emergency assembly area. See photo., Factory will work on a solution and communicate with all workers on operation. The factory has designated the emergency assembly area. Fire drills are conducted twice a year.

NEW FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The lighting in the hazardous waste warehouse is not explosion-proof. [HSE.1, HSE.13, HSE.9]
2. The hazardous waste warehouse is not ventilated. [HSE.1, HSE.9]
3. There is no secondary containment for the chemicals stored in the hazardous waste warehouse. [HSE.1, HSE.9]

4. On the first day of the assessment, there was no secondary containment for a bucket of vacuum pump oil kept in the casting workshop on the third floor of Building 3. The factory took measures to correct this issue on the second day of assessment by putting the bucket of vacuum pump oil in a secondary container. [HSE.1, HSE.9]

Local Law or Code Requirement

The Regulation for Safety of Dangerous Chemical, Article 20; The Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2001), Article 6.2.4; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.9, and HSE.13)

Recommendations for Immediate Action

<!--[endif]-->Replace the light in the hazardous waste warehouse with an explosion-proof light.

<!--[endif]-->Install a ventilation system in the hazardous waste warehouse.

<!--[endif]-->Provide secondary containment for all chemicals stored in the hazardous waste warehouse.

<!--[endif]-->Provide secondary containment for the bucket of vacuum pump oil kept in the casting workshop.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#19-1 the factory has installed explosion-proof light for the lighting in the hazardous waste warehouse, will maintain them accordingly.

#19-2 the factory has installed ventilation system in the hazardous waste warehouse, will maintain them accordingly.

#19-3 and 4 the factory has provided secondary container for chemicals and bucked of vacuum pump oil, will monitor in daily patrol.

NEW FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. During the assessment one of the two workers in the casting workshop was not wearing the mask provided by the factory. [HSE.1, HSE.8]
2. The factory does not provide earplugs to the workers in the casting workshop to protect them against high noise levels. [HSE.1, HSE.7]
3. The walking paths in the factory are not marked. [HSE.1]
4. The Occupational Hazard Test Report issued by a technical service agency indicates that the cotton dust concentration in the polishing workshop (1.21mg/m³) exceeds the national standard (1mg/m³), the sound level in the casting workshop (92.4dB) exceeds the national standard (85dB), and the sound level in the gemstone processing workshop (91.2dB) exceeds the national standard (85dB). [HSE.1]
5. The first aid kits in the dormitory are locked in the management room, which makes it difficult for workers living in the dormitory to access the first aid kits. [HSE.1, HSE.6]
6. On the first day of the assessment, assessors found an electrical cord in the plating workshop that was spliced with tape. The factory took steps to correct this issue on the second day of the assessment by installing a safety guard for the electrical cord spliced with tape. [HSE.1, HSE.13]
7. The low voltage electrical wiring in the dormitory is disorganized and not properly connected, which violates local law. [HSE.1, HSE.13, HSE.25]

Local Law or Code Requirement

GB/T 13869-2017 Electricity Safety Guidelines, Article 5.1.1; The Standards for the Design of Industrial Enterprises (GBZ1-2010), Article 8.3; The Law of the People's Republic of China on Work Safety, Article 42; The Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 26; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.7, HSE.8, HSE.13, and HSE.25)

Recommendations for Immediate Action

1. Train casting workers on the proper use of PPE. Monitor to ensure compliance.
2. Provide earplugs to the workers in the casting workshop.
3. Mark the walking paths in the factory.
4. Take steps to reduce the cotton dust concentration and sound levels.
5. Store first aid kits in the dormitory in a common area.
6. Repair the spliced electrical cords with heat shrink tubing.
7. Ensure that electrical cables in the dormitory are correctly organized and connected.

COMPANY ACTION PLANS

Action Plan no 1.

Description

#20-1 and 2 the factory provided all related PPE to workers, will conduct more training to workers on how to use PPE properly and monitor in daily operation.

The factory trains workers on properly using PPE every half a year. Please see the attachment#20-1&2. The training plan of 2019 will be completed by the end of June.

#20-3 The factory consulted with related expert and will discussed internally with management and workers to worked out the walk path scheme.

#20-4 the factory has consulted with the 3rd party on improvement and conducted overall assessment onsite at factory on the hazard and safety elements of working environment, will maintain compliance according.

The assessment was conducted once a year. Last assessment was conducted on 11/21/2018. The assessment of 2019 will be conducted in December.

#20-5 factory has stored first aid kits on the area that all workers can access freely, will check it periodically.

#20-6 factory had electrician repaired the tubing immediately after the audit, will conduct periodically check.

#20-7 Factory have reorganized the cable in order.

NEW FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory's Environment Protection policies and procedures do not include:
 - a. Steps for workers to raise environmental concerns;
 - b. Protections against retaliation for workers who allege environmental violations. [ER.1, ER.31]

Local Law or Code Requirement

COMPANY ACTION PLANS

Action Plan no 1.

Description

Factory have updated the policies and procedures for environment protection by communicating with employee through all process.

The policies and procedures have been communicated to employees by training.