



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: WinCraft Inc.
COUNTRY: China
ASSESSMENT DATE: 12/27/18
ASSESSOR: Openview
PRODUCTS: Apparel
NUMBER OF WORKERS:

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. The factory lacks of or has incomplete policies and procedures for Recruitment, Hiring & Personnel Development Employment Function: a. The factory does not prepare written job descriptions for any positions. b. The factory does not specify the detailed steps and requirements with regard to the promotion, demotion and job assignment. c. The factory does not have policies and procedures on performance reviews.

2. The factory has not hired any disabled workers, local law requires that at least 1.5% of the total workforce be disabled. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers, as allowed under the local law, this practice carries the risk of discrimination based on the FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

Regulations on the Employment of Persons with Disabilities Article 8; FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.29.1, and ER.30.1; Nondiscrimination Benchmark ND.1 and ND.2.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a document review, the factory has written job descriptions for all positions in the factory. However, the Recruitment, Hiring & Personnel Development policies and procedures still lack the following components:

- The steps and requirements in the promotion, demotion and job reassignment scheme;
- The performance review standards and criteria;
- Details on the linkages between the promotion, demotion, and job reassignment scheme and the performance reviews. [ER.1, ER.29, ER.30]

Root Causes:

- The factory HR personnel does not have the necessary knowledge to establish these policies and procedures.
- Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
- Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

2. Finding Status (Not Remediated)

Explanation:

The factory still has not hired any disabled workers. Local law states at least 1.5% of the total workforce should be composed of disabled workers. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers, as allowed under local law, this practice carries the risk of discrimination based on the FLA Workplace Code and Benchmarks. [ER.3, ND.2]

Root Causes:

1. As the type and severity of an applicant's disability are important factors for deciding if they are suitable candidates for the workplace and task to which they will be assigned, the factory finds it difficult to recruit eligible disabled workers.
2. Local law allows employers to pay into the Employment Security Fund in lieu of employing disabled workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.29, and ER.30; Nondiscrimination Benchmarks ND.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.1 The factory is writing job descriptions with accompanying performance review measures, as well as adopting policies and procedures for employee promotion, demotion and transfer. Employees will be trained on new policies and procedures.
- 1.2 To date, the factory has employed a disabled person. Annually, the company will continue to pay into the employment security fund for the disabled, until such time that endeavors to reach the 1.5% ratio of disabled workers are achieved.

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

The factory provides orientation training to new workers at the time of hiring. The orientation training only covers the topics of compensation packages, working hour system, factory rules, health and safety, disciplinary system and policies for recruitment, promotion and assignment, but does not cover the Employment Functions of Industrial Relations, Environmental Protection and Termination & Retrenchment. Moreover, the written documentation provided to workers is incomplete and only substantiates issues of machine operation, fire prevention and health and safety.

The policies and procedures on trainings do not include ongoing training for all workers with the goal of raising or broadening skills in order to advance workers' careers.

The factory does not provide any specific training for relevant supervisors on the following Employment Functions: Recruitment, Hiring, & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Grievance System, and Environmental Protection.

The factory does not provide on-going training to regular workers and managerial staff on updates of policies, procedures, and legal requirements.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.1, ER.15.2, ER.15.3, ER.17.1, ER.17.3, ER.26, ER.27.2, ER.28.1, and ER.28.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management and workers, the factory provides orientation training to new workers at the time of hiring. The orientation training only covers the factory rules and Health & Safety; it does not cover the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Workplace Conduct & Discipline;

Industrial Relations; Grievance System; Termination & Retrenchment; and Environmental Protection. Moreover, the written documentation provided to workers is incomplete and only substantiates issues regarding machine operation, fire prevention, and health and safety. [ER.1, ER.15]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

2. Finding Status (Not Remediated)

Explanation:

According to a document review, the factory still does not have policies and procedures that encourage the ongoing training of all categories of workers with the goal of raising or broadening their skills in order to advance in their careers within the factory or beyond. [ER.1, ER.28]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

3. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management, the factory still does not provide specific training to the relevant supervisors on the following Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection. [ER.1, ER.17, ER.27]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

4. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management, the factory still does not provide ongoing training to regular workers or managers on updates to the factory's policies and procedures or legal requirements. [ER.1, ER.15, ER.17, ER.25, ER.27]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.25, ER.27, and ER.28)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The General Manager's Office will provide leadership to provide regularly occurring training to Human Resources personnel, managers and supervisors on updates to the factory's policies and procedures and legal requirements in the areas of Employment Functions: Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection. Management will work with the FLA-affiliate to receive training on the FLA Workplace Code and Benchmarks and SCI methodology.

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The factory does not formally communicate its policies and procedures for all Employment Functions to the general workforce and management staff including: Recruitment, Hiring & Personnel Development, Compensation, Grievance System, Health & Safety, Environmental Protection, Workplace Conduct & Discipline, Hours of Work, Industrial Relations, and Termination & Retrenchment. Although the factory introduces some factory rules and practices to workers during orientation trainings and posts relevant policies and procedures on site, such communication is not effective and comprehensive. All interviewees roughly understand some points, but have no idea about details, like exact wage calculation, working hours control policy, escalating disciplinary measures, and the tracking system for complaints. The factory has no follow-up procedure to communicate updates and legal revisions to its policies and procedures. The worker integration component is missing for all Employment Functions. The factory has not established procedures for receiving worker input/feedback on the creation, implementation, and revision of its policies and procedures. Also, workers are neither systematically integrated nor consulted in the decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.1.3, ER.16.1, ER15.3, ER.25.1, ER.25.2, ER.27.3, ER.29, ER.30, and ER.32; Compensation Benchmark C.17)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management and workers, the communication to workers on policies and procedures on all Employment Functions is ineffective and incomplete. The factory only provides some general information on the factory rules, Compensation, Hours of Work, and Health & Safety during orientation training, and the policies and procedures are not posted on site. None of the workers interviewed by assessors had a detailed understanding of the performance review process, wage calculations, paid leave, the working hours control policy, escalating disciplinary measures, and the system for tracking complaints. The factory does not have any procedures to communicate updates to its policies and procedures or legal revisions with the general workforce. [ER.1, ER.16, ER.25, ER.27, ER.29, ER.30, C.17]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

2. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management and workers, the worker integration component is missing for all Employment Functions. The factory has not established procedures for receiving worker input/feedback on the creation, implementation, and revision of its policies and procedures. Also, workers are neither systematically integrated nor consulted in the decision-making processes. [ER.1, ER.25]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship ER.1, ER.16, ER.25, ER.27, ER.29, and ER.30; Compensation Benchmark C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory HR personnel and management will utilize the requirements in the FLA Workplace Code and Benchmarks to align the employee handbook to effectively communicate and post policies and procedures on staff development, compensation, grievance systems, health and safety, environmental protection, behavior and discipline procedures; as well as ensuring that workers are aware of policies on working hours, labor relations, dismissal and the system for tracking complaints. Policy and procedure training will be conducted for employees to accompany the publication of the revised employee handbook.

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory management does not periodically review its policies and procedures for any of the Employment Functions, and some policies and procedures are not updated according to the factory's actual practices.
2. The factory does not revise its policies on wages in accordance with the current practice that the employees are paid by hourly rate rather than by performance regulated in policies.
3. The factory does not update time of lunch break with 60 minutes rather than 30 minutes in policies of working hours.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.30.2, and ER 31.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management, the factory does not periodically review its policies and procedures on any of the Employment Functions. In addition, some policies and procedures are not updated according local law or the FLA code. For example, the factory does have detailed criteria regarding promotions and demotions, the maternity leave policy has not been changed to 128 days, etc. [ER.1, ER.29, ER.30, ER.31]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

2. Finding Status (Remediated)

Explanation:

According to a document review, the factory revised its Compensation policy and procedures to state that workers are paid at an hourly rate, which is consistent with the payroll records.

3. Finding Status (Remediated)

Explanation:

According to a document review, the factory revised its Hours of Work policy and procedures to state that the lunch break is 60 minutes long in winter and 90 minutes long in summer, which is consistent with the factory's actual practices.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Hours of work, compensation, and leave procedures are updated according to local law. The current maternity leave is 128 days. Documentation of the updated procedures is in finalization stage.

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

134 out of 258 (52%) employees were provided with pension, work-related injury, maternity, unemployment and medical insurances. However, the factory provided the commercial injury insurances to only 141 out of 258 (55%) employees with a valid term from July 25, 2015 to July 24, 2016. Therefore, all employees are covered by work-related injury insurances. The factory does not provide social insurance based on workers' actual wages. Social insurance is paid based on CNY 1810 (~USD 283.62) for workers, while the actual monthly wages for workers ranges from CNY 1,883 (~USD 296.06) to CNY 3600 (~USD 564.12). None of the workers are provided with the legally required Housing Provident Fund. The factory provides the paid annual leave to workers based on the length of workers' services time in the factory rather their seniority starting from previous employment.

Local Law or Code Requirement

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

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a review of the factory's social insurance payment receipts from December 2017 to November 2018 and interviews with management, there are 191 workers currently working for the factory, including 45 workers over the retirement age. 103 out of 146 eligible employees (70.5%) were provided with pension, work-related injury, maternity, unemployment, and medical insurances. As a supplement, the factory provides commercial injury insurance to 197 workers which is valid from July 29, 2018 to July 28, 2019. Therefore, all employees are covered by work-related injury insurance. [ER.22, C.1, C.10]

Root Causes:

1. Both the employer and the employee consider the social insurance fee an extra cost, and they do not want to accept the lower pay and revenue.
2. Most workers reside locally, and some of them buy rural pension and medical insurance themselves.
3. Most female workers are 40 years old and are not willing to contribute to the pension fund as they cannot use their pension for another 15 years.
4. The local government does not monitor or enforce compliance strictly.

2. Finding Status (Not Remediated)

Explanation:

According to a review of the factory's social insurance payment receipts and interviews with management, the factory still does not provide social insurance based on workers' actual wages. Social insurance contributions are calculated based on CNY 2,250 (USD 327.2), while the workers' actual monthly wages range from CNY 2,281 (USD 331.7) to CNY 3,635 (USD 528.6). [ER.22, C.1, C.10]

Root Causes:

1. Both the employer and the employee consider the social insurance fee an extra cost, and they do not want to accept the lower pay and revenue.
2. The local government does not monitor or enforce compliance strictly.

3. Finding Status (Not Remediated)

Explanation:

According to interviews with management, none of the workers are provided with the legally required Housing Provident Fund. [ER.22, C.1, C.10]

Root Causes:

1. Most workers are unwilling to contribute to the Housing Provident Fund, as it would reduce their take-home income.
2. Most workers are local residents and already have their own houses, so they are not willing to buy a house using the Housing Provident Fund.

4. Finding Status (Not Remediated)

Explanation:

According to interviews with management, the factory still provides paid annual leave to workers based on the length of workers' service in the factory rather their seniority including previous employment. [ER.22, C.1, C.6, HOW.1, HOW.11]

Root Causes:

1. Most factories do not consider workers' previous work experiences when calculating annual leave in order to reduce costs.
2. It is difficult for workers to provide evidence of their previous work experiences. It is also difficult for the factory to verify this evidence.
3. So far, no workers have requested that their previous work experience be included in their length of service.

Local Law or Code Requirement

Labor Law of the People's Republic of China, Articles 72 and 73; Housing Fund Management Regulation, Articles 15 and 17; Worker Paid Annual Leave Regulation, Article 2; FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1, C.6, and C.10; Hours of Work Benchmarks HOW.1 and HOW.11)

Recommendations for Immediate Action

1. Provide all workers with all five types of social insurance.
2. Base social insurance contributions on workers' actual monthly wages.
3. Take workers' previous work experiences into account when calculating annual leave.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory is gradually increasing social insurance contributions and provision based on workers' actual monthly wages. The factory will make contributions to the Housing Provident Fund, provide all five types of social insurance and calculate annual leave with consideration of workers' previous work experience, in addition to length of service to the company.

PREVIOUS FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The monthly overtime hours for 80% workers from October 2014 to September 2015 (except February 2015 and March 2015) ranged from 40 to 70 hours, which exceeds the legally required limit of 36 per month.

Local Law or Code Requirement

The PRC Labor Law, Articles 41; FLA Workplace Code (Hours of Work Benchmarks HOW.1.1, and HOW.8.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a review of the factory's time records from November 2017 to December 27, 2018 and interviews with management and workers, the monthly overtime hours for 80% workers from November 2017 to December 2018 (except February 2018) ranged from 40 to 56 hours, which exceeds the legal limit of 36 hours per month. [HOW.1, HOW.8]

Root Causes:

1. Although Chinese law places strict limits on hours of work, the limits are not effectively enforced.
2. The factory arranges for workers to work 48 hours per week (eight hours per day and six days per week).
3. Workers rely on extra overtime to increase their income.
4. Management is not committed to reducing or reviewing the monthly overtime hours.

Local Law or Code Requirement

Labor Law of the People's Republic of China, Article 41; FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.8)

Recommendations for Immediate Action

1. Reduce workers' overtime, ensure that overtime does not exceed 36 hours per month.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory is measuring productivity while placing limits on overtime, and will implement procedures so that overtime does not exceed 36 hours per month. The FLA Affiliate will work with the factory management to align overtime hours with legal limits and FLA Benchmarks HOW.1 and HOW.8

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

Although the factory has some written policies and procedures on Termination & Retrenchment, these policies and procedures do not govern all aspects of Termination and Retrenchment. They do not address the procedures for temporary or permanent layoff and the process of termination payout calculation for resigned workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19.1, and ER.32.1)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a document review of document, the written policies and procedures on Termination & Retrenchment govern temporary or permanent layoffs and the management of workers over the retirement age, but they do not include details regarding the calculation of termination payouts for resigned workers. [ER.1, ER.19, ER.32]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

The employee handbook is being revised to include the policies and procedures on termination pay for resigned workers. The FLA Affiliate will work to familiarize management with FLA Workplace Code and Benchmarks, SCI methodology.

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

The factory has a trade union under the ACFTU (All China Federation of Trade Unions) that was established on May 28, 2013. However, there are neither records on file that indicate that any elections have been held nor any written operational procedures that pertain to such elections.

The factory management automatically enrolls all workers as trade union members without the workers' consent. About 80% of the interviewed workers do not know whether they are members of the trade union or not. Factory management, rather than the workers themselves, pays all union dues.

Instead of being directly elected by workers, three out of six union representatives were nominated by supervisors from each department, while rest union representatives were elected by general workforce.

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 nonnegotiated administrative agreements.

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmarks FOA.2, FOA.10, FOA.11, FOA.12, FOA.13, and FOA.14)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

According to a document review and interviews with management, the factory held an election for union leaders in January 2018. The election records are well maintained and there are written procedures on such elections.

2. Finding Status (Not Remediated)

Explanation:

According to interviews with management and workers, all workers are still automatically enrolled in the trade union without giving their consent. About 90% of the interviewed workers are not aware of whether they are members of the trade union or not. Factory management, rather than the workers themselves, pays all union dues. [FOA.10, FOA.11, FOA.12]

Root Causes:

1. This is a common practice in China, and the upper levels of the trade union normally do not monitor the practices within the factory.
2. Management is not aware of the requirements detailed in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks, as well as SCI methodology from FLA Affiliates or FLA.

3. Finding Status (Not Remediated)

Explanation:

According to a document review and interviews with management, the worker representatives and candidates contesting in the election were nominated by management or the supervisors from each department, and the union representatives were nominated by the supervisors from each department, rather than being elected by workers. Additionally, the head of the union is the factory administration manager. [FOA.10, FOA.11, FOA.12]

Root Causes:

1. This is a common practice in China, and the upper levels of the trade union normally do not monitor the practices within the factory.
2. Management is not aware of the requirements detailed in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks, as well as SCI methodology from FLA Affiliates or FLA.

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 nonnegotiated administrative agreements. [FOA.2]

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmarks FOA.2, FOA.10, FOA.11, and FOA.12)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The company will continue to hold elections for union leaders.

PREVIOUS FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The policies and procedure for Workplace Conduct & Discipline are incomplete, such as the procedure for employees to appeal the disciplinary action and the application rule of different disciplinary actions are not included in the written policies and procedures. The factory does not apply the disciplinary system in a transparent and open manner:

- a. The factory does not inform workers when a disciplinary procedure has been initiated against them;
 - b. The workers do not sign the written records of disciplinary actions against them;
 - c. The factory does not maintain records of disciplinary actions in workers' personnel files;
 - d. The disciplinary system does not include a third party witness during the imposition and appeal process.
3. The workers do not receive a copy of the workplace rules during orientation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2.1, ER. 15, ER.27.3.1, ER.27.3.3, ER.27.3.4, and ER.27.4)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a document review, the factory's Workplace Conduct & Discipline policies and procedures include steps for workers to appeal disciplinary actions taken against them. However, they do not include detailed rules regarding the application of disciplinary actions. [ER.1, ER.27]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from

the FLA-affiliate or the FLA.
2. Finding Status (Not Remediated)
Explanation:

There are no records to prove that the factory implements its disciplinary system in a transparent and open manner:
a. There is no proof that the factory informs workers when disciplinary procedures are initiated against them;
b. There is no proof that the workers sign written records of disciplinary actions taken against them;
c. The factory does not maintain any records of disciplinary actions;
d. The disciplinary system does not include a third-party witness during the imposition of disciplinary actions or during the appeal process. [ER.2, ER.27]

Root Causes:

1. The factory HR personnel does not have the necessary knowledge.
2. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
3. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.

3. Finding Status (Not Remediated)

Explanation:

According to interview with workers and management, workers do not receive a copy of the workplace rules during orientation. [ER.15]

Root Causes:

1. Management thought that because they provide orientation training to workers it was no longer necessary to provide a written copy of the workplace rules to workers.
2. Providing a written copy of the workplace rules to workers would be an additional cost.
3. It is inconvenient to revise the workplace rules if they provide a written copy to the workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15, and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Workplace rules are being revised, specifically to improve disciplinary process. The FLA Affiliate will work with management to raise awareness of the requirements in the Workplace Code and Benchmarks. The factory will train employees at orientation and provide written copies of workplace rules for all workers.

PREVIOUS FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The policies and procedure for grievance system are incomplete. There is no appeal procedure when the direct settlement between workers and their immediate supervisor failed.
2. The factory does not maintain any documentation relating to the grievance process.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2.1 and ER.25.3)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

According to a document review, the factory's Grievance System policies and procedures include an appeal process in case direct settlement between a worker and their immediate supervisor fails.

2. Finding Status (Not Remediated)

Explanation:

According to a document review and management interviews, the factory still does not maintain any documentation related to the Grievance System process. [ER.2, ER.25]

Root Causes:

1. Management does not record oral complaints.
2. Management does not provide sufficient training to workers, so workers are unaware of how to properly utilize the grievance system.
3. The Grievance System is not implemented effectively.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

An appeal process has been included in the Grievance procedures available to workers.

PREVIOUS FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

The policies and procedures of Environment Protection are incomplete. The procedures enable workers to raise environmental concerns, procedures for reporting environmental emergencies, the procedures to protect workers who allege environmental violations and procedures for notifying local community authorities in case of any environmental emergency are not regulated in the written policies and procedures.

The hazardous waste generated from the sewage treatment (sludge) and printing (replaced tools relating to printing) processes are not collected by a licensed waste collector.

Local Law or Code Requirement

PRC Law of Prevention and Treatment of Environmental Pollution by Solid Wastes Article 57; FLA Workplace Code (Employment Relationship Benchmark ER.1.1, ER.2.1, ER.31.2.4, ER.31.2.5, and ER.31.2.6; Health, Safety and Environment Benchmarks HSE.1, HSE.4, and HSE.5.4)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to a document review and interviews with management and workers, the factory developed procedures for reporting environmental emergencies and procedures for notifying local community authorities in case of an environmental emergency. However, there are still no procedures to enable workers to raise environmental concerns or procedures to protect workers who allege environmental violations against retaliation. [ER.1, ER.31]

Root Causes:

1. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
2. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.
3. Management thinks that because there are teams assigned to manage environmental issues it is not necessary to enable workers to

raise environmental concerns.

2. Finding Status (Remediated)

Explanation:

According to a review of the hazardous waste disposal contract and records and interviews with management, the factory's hazardous waste is disposed of by a licensed waste collector.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

Employee policies and procedures provided in writing will include a system for reporting and recording environmental violations, without retaliation to the reporting workers.

PREVIOUS FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory does not provide ergonomic trainings to employees.

The sitting chairs provided to seated workers are not adjustable and do not have backrests to minimize workers' bodily strains.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.17.1, and HSE.17.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation:

According to a review of the factory's training records and interviews with management and workers, the factory does not provide ergonomics training to workers. [ER.1, HSE.17]

Root Causes:

1. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
2. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.
3. The factory's risk assessment does not include ergonomic issues.

2. Finding Status (Not Remediated)

Explanation:

According to assessors' onsite observations, the chairs provided to the seated workers are not adjustable and do not have backrests to minimize workers' bodily strain. [HSE.17]

Root Causes:

1. Management is not aware of the detailed requirements outlined in the FLA Workplace Code and Benchmarks.
2. Management does not receive any training or introduction to the FLA Workplace Code and Benchmarks or the SCI methodology from the FLA-affiliate or the FLA.
3. The factory's risk assessment does not include ergonomic issues
4. It would be expensive for the factory to provide ergonomic chairs to all workers.
5. Most of the workers are not willing to use ergonomic chairs because they think it would reduce their efficiency.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Ergonomic training is in development to increase the workers' awareness, and ergonomic issues will be included in the factory's risk assessment. Factory management maintains that while ergonomic chairs can be offered to workers, most workers are not willing to use them due to their perception that their efficiency will be reduced.

PREVIOUS FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The policies and procedures of Health & Safety are incomplete with the following missing procedures: the procedure to enable workers to raise Health & Safety concerns, procedure for protection against retaliation for workers who raise Health & Safety and procedures for notifying local community authorities in case of any environmental emergency are not regulated.

The factory does not provide a lifting belt to loading workers.

None of sewing machines in the sewing workshop on the 2nd floor of the No.3 production building are equipped with needle guards.

64 out of 71 (90%) employees in the printing workshop who are in contact with hazardous gas are wearing ordinary masks rather than active-carbon masks; all employees who are operating with chemicals do not wear goggles.

All chemicals (toner, accelerant and urea) are stored together with finished products in the No.1 warehouse building, but not separated and stored in an independent storage area.

None of hazardous chemical containers in the factory are marked with safety labels.

The factory does not conduct occupational hazard pre-assessment before they moved to current location since 2009. Additionally, the factory did not conduct an assessment on the control of occupational hazards effects.

Local Law or Code Requirement

Code of Design of Manufacturing Equipment Safety and Hygiene (GB5083-1999) Article 6.1.6; Safety Manufacturing Law Article 42; Regulations on the Safety Administration of Dangerous Chemicals Article 24; Regulation For Chemical Usage Safety in Work Place Article 14; The PRC Law of Prevention and Control of Occupational Diseases Article 17; FLA Workplace Code (Employment Relationship Benchmarks ER.2.1, ER.31.2.4, and ER.31.2.6; Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.5.4, HSE.7, HSE.9.1, HSE.14.1, and HSE.25.1.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation:

According to a document review, the factory's Health & Safety and Environmental Protection policies and procedures include steps for workers to raise Health & Safety concerns, protections against retaliation for workers who raise Health & Safety issues, and procedures for notifying local community authorities in case of an environmental emergency.

2. Finding Status (Not Remediated)

Explanation:

According to assessors' onsite observations and interviews with management and workers, the factory still does not provide lifting belts to loading workers. [HSE.7, HSE.17]

Root Causes:

1. The factory's risk assessment does not include this issue.

2. The loading workers have not experienced any work-related injuries in the past, so the factory does not think it is necessary to provide

lifting belts.

3. Finding Status (Remediated)

Explanation:

According to assessors' onsite observations, the factory has installed needle guards on all sewing machines.

4. Finding Status (Remediated)

Explanation:

According to assessors' onsite observations, the factory provides proper personal protective equipment (PPE) (e.g. active-carbon masks and gloves) to workers who use hazardous chemicals. All relevant workers were wearing their PPE while working.

5. Finding Status (Not Remediated)

Explanation:

According to assessors' onsite observations, all chemicals (toner, accelerant, and urea) are stored together in the accessory warehouse in the No.1 warehouse building instead of being separated and stored in an independent storage area. Furthermore, they are not stored with secondary containment or spill kits. [HSE.1, HSE.9]

Root Causes:

1. The factory does not collect the complete MSDS for all chemicals to identify the risk of each chemical (e.g. hazardous vs non-hazardous chemicals).

2. The factory does not collect and study the relevant laws and regulations regarding chemical management.

6. Finding Status (Partially Remediated)

Explanation:

According to assessors' onsite observations, about 90% of the hazardous chemical containers in the factory do not have safety labels. [HSE.1, HSE.9]

Root Causes:

1. The factory does not collect the complete MSDS for all chemicals to identify the risk of each chemical (e.g. hazardous vs non-hazardous chemicals).

2. The factory does not collect and study the relevant laws and regulations regarding chemical management.

7. Finding Status (Remediated)

Explanation:

According to a document review and management interviews, the factory conducted an assessment of the current condition of occupational disease hazards and provided the report for assessors to review. As it is impossible for the factory to conduct a occupational hazard pre-assessment once the factory is in operation, this meets the recommendations of the Fair Labor Association.

Local Law or Code Requirement

The Regulation for Safety of Dangerous Chemical, Article 24; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.9, and HSE.17)

Recommendations for Immediate Action

1. Provide lifting belts to the loading workers.

2. Store the hazardous chemicals in designated areas as per legal requirements.

3. Post safety labels on all hazardous chemical containers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Sustain remediation measures

PREVIOUS FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The fire alarms installed in the factory are neither centralized nor battery powered. Additionally, the factory does not have a separate power line for the fire alarm system or separate power line serving the purpose of a back-up power source.

The safety exit signs on the top of 20% (4 out of 20) safety exits in the factory are malfunctioning. The safety exit signs were not illuminated and not connected to electricity.

The doors used at 20% (4 out of 20) safety exits in the factory are push-up roll-up dock doors without locking devices instead of push-bar doors that open into the exit direction.

Two out of four safety exits in the raw material warehouse in the No.2 warehouse building are partially blocked by production materials.

Local Law or Code Requirement

PRC Fire Prevention Law Article 16; PRC Fire Prevention Law Article 16 (2); Fire Safety of Building Design Regulation (GB50016-2014) article 6.4.11; PRC Fire Prevention Law Article 16 (4); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, and HSE.5.1)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation:

According to assessors' onsite observations, only the fire alarm systems in the dyeing and printing workshop and the dormitory building have backup battery power. The fire alarm systems in the rest of the buildings do not have backup batteries. In addition, the factory's fire alarm system is not centralized. [HSE.5]

Root Causes:

1. The factory only considered installing backup battery power for the fire alarm systems in high risk areas.
2. The factory does not collect and study the local laws and regulations on fire safety.
3. The factory's risk assessment does not include issues regarding backup battery power or a centralized fire alarm system.
4. The local fire department does not enforce the requirement that the factory to install backup battery power for all buildings or to have a centralized fire alarm system.

2. Finding Status (Remediated)

Explanation:

According to assessors' onsite observations, illuminated and functional exit signs are installed for all emergency exits in the factory.

3. Finding Status (Partially Remediated)

Explanation:

According to assessors' onsite observations and interviews with management and workers, push-bar doors have been installed in the large push-up roll-up dock doors, however, the factory did not update the evacuation plans to reflect the new emergency exits and non-exit doors and did not provide updated training to workers. [ER.1, ER.15, HSE.5]

Root Causes:

1. The factory does not conduct regular internal reviews to identify this issue and make improvements.

4. Finding Status (Remediated)

Explanation:

According to assessors' onsite observations, all safety exits are free of obstruction.

Local Law or Code Requirement

Code for Design of Automatic Fire Alarm System, Article 10.1.1; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.15; Health, Safety & Environment Benchmark HSE.5)

Recommendations for Immediate Action

1. Install backup battery power for the fire alarm system in all production and warehouse buildings. Centralize the fire alarm system.
2. Update the evacuation plans to reflect the new emergency exits and non-exit doors.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Improvements are being made to the fire alarm system to centralize it and ensure backup power to the system. The evacuation plan is being updated and all workers will be trained on the plan.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The employment contracts of two out of 30 sampled workers expired in May and October 2018 respectively. These workers are still working in the factory, but their contracts have not been renewed. [ER.10]

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. <!--[endif]-->Renew any expired employment contracts of workers who are still working in the factory.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Employee contracts will be reviewed and expired contracts renewed.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The time records that the factory provided to assessors are incomplete or inaccurate. There were some inconsistencies between the time records and information assessors obtained from production records. It appeared that the records provided for the past 12 months did not reflect the workers' actual working hours and payment status. Therefore, the assessment team was not able to accurately verify the status of workers' hours of work and wages during the assessment. For example:

- a. Production records for the printing/ dyeing workshop indicate whether workers worked a day shift or night shift, but the time records sometimes showed the opposite;
 - b. The CCTV tapes showed there were workers at the gate of the packing workshop on December 9, 2018, but time records showed that all workers had a rest day on December 9;
 - c. There are metal detecting records from November 18, 2018 and production records for the printing/dyeing workshop from November 4, 2018 (both days were Sundays), but time records showed that all workers had rest days on November 4 and November 18. Management stated if workers worked on Sunday, they would provide an alternate rest day for them, but no records of could be provided to confirm this. [ER.1, ER.23, HOW.1]
2. Management interviews confirmed that the production plan is based on 48 hours per week, including 18 hours of overtime. [HOW.1, HOW.8]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.23; Hours of Work Benchmarks HOW.1 and HOW.8)

Recommendations for Immediate Action

1. <!--[endif]-->Ensure that all workers' time records are complete and accurate.
2. <!--[endif]-->Do not include overtime in production planning.

COMPANY ACTION PLANS

Action Plan no 1.

Description

All worker time record keeping will be updated to accurately reflect time worked and overtime. Production planning methods will be evaluated so that overtime can be removed from the planning.

NEW FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory does not arrange for resigned workers to take their unused annual leave or compensate them for their unused annual leave. [HOW.1, HOW.11, ER.18, ER.22, C.1, C.5]
2. The factory arranges for workers to take their annual leave during the Spring Festival and in September 2018 without consulting with workers. [HOW.12]

Local Law or Code Requirement

The Employee Paid Annual Leave Regulation, Articles 3 and 5; FLA Workplace Code (Employment Relationship Benchmarks ER.18 and ER.22; Compensation Benchmarks C.1 and C.5; Hours of Work Benchmarks HOW.1, HOW.11, and HOW.12)

Recommendations for Immediate Action

1. <!--[endif]-->Provide resigned workers with their unused annual leave days or compensate them for their unused annual leave.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Workers are paid in cash when they resign; and will be compensated for unused annual leave at that time. Factory management will work to align unused annual leave policies with FLA Workplace Code Compensation and Hours of Work benchmarks. The factory will update documentation of unused annual leave policies.

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. Workers are not provided a copy of the Collective Bargaining Agreement (CBA). [ER.16]

Local Law or Code Requirement

Measures for the Selection of the Chairman of an Enterprise Trade Union, Article 6; FLA Workplace Code (Employment Relationship Benchmark ER 16; Freedom of Association Benchmarks FOA.1, FOA.10, FOA.11, and FOA.12)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Post, publicize and provide all workers with written copies of the Collective Bargaining Agreement

NEW FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Hazardous waste (e.g. empty containers of hazardous chemicals) is stored outdoors instead of in designated areas as per legal requirements. Although the storage is temporary, these containers do not have secondary containment, spill kits, or eyewash equipment provided. [HSE.1, HSE.9]

Local Law or Code Requirement

The Standard for Pollution Control on Hazardous Waste Storage, Articles 6.2.4, 6.2.5, and 6.3.9; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.9)

Recommendations for Immediate Action

1. <!--[endif]-->Store hazardous waste in designed areas that meet legal requirements and are secure and well-ventilated.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Designate storage areas for hazardous waste that meet legal standards. Identify well-ventilated, secure areas for storage.

NEW FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory was unable to provide MSDS for about 20% of the chemicals used and stored in the factory. [ER.2, HSE.2, HSE.10]
2. The factory does not have a system to manage confined spaces that includes the following components:
 - a. Identifying confined spaces;
 - b. Conducting a risk assessment;
 - c. Making a list of confined spaces that require work permits;
 - d. Posting warning signs;
 - e. Taking the appropriate precautions before and during workers' entry and stay in confined spaces;
 - f. Providing the appropriate protection, rescue equipment, and training to workers who enter confined spaces. [ER.1, HSE.1, HSE.6]
3. The factory does not have the registration for the forklift being used in the factory, and the forklift operator does not have their special equipment operators license. Additionally, the factory has not conducted safety inspections for the forklift. [ER.2, HSE.1, HSE.4]
4. The traffic lanes and walk path are not marked in the factory. In addition, no convex mirrors are installed in the dead ends. [HSE.1, HSE.6]

Local Law or Code Requirement

The Regulation of Chemical Safety Usage in Workplace, Article 12; Special Appliance Quality Safety Monitoring Regulation, Articles 25, 28, and 38; FLA Workplace Code (Employment Relationship Benchmark ER.1 and ER.2; Health, Safety & Environment Benchmarks HSE.1,

HSE.2, HSE.4, HSE.5, HSE.6, and HSE.10)

Recommendations for Immediate Action

1. <!--[endif]-->Obtain MSDS for all chemicals in the factory. Make the MSDS available wherever the chemicals are used and stored.
2. <!--[endif]-->Post warning signs on the confined spaces. Test the air in the confined spaces before workers enter. Provide the appropriate PPE to workers who enter confined spaces and ensure that rescue equipment is available.
3. <!--[endif]-->Register the forklift with the proper authorities.
4. <!--[endif]-->Conduct regular safety inspections on the forklift and maintain the safety inspection reports.
5. <!--[endif]-->Assign a qualified driver to use the forklift or ensure that the current forklift driver obtains a special equipment operator certificate.
6. <!--[endif]-->Mark the traffic lanes and walking paths in the factory. Install convex mirrors in dead ends.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Evaluate current processes for: MSDS documentation, management of confined spaces, and forklift safety procedures. 1) Obtain and maintain MSDS for all chemicals. 2) Install appropriate signage in confined spaces and walking lanes. 3) Provide PPE to workers in confined spaces. 4) Register the forklift, conduct and document regular safety inspections. 5) Train and certify forklift operators. 6) Conduct air tests in confined spaces