



COMPANY: **Tumi, Inc**
COUNTRY: **China**
ASSESSMENT DATE: **08/11/14**
MONITOR: **FLA Assessor Team (China)**
PRODUCTS: **Apparel**
PROCESSES: **Other**
NUMBER OF WORKERS: **2400**
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: **AA0000000476**

What's Included in this Report

- Understanding this Assessment Report
- Glossary
- Score by Employment Function
- Score By Management Function
- Score Summary
- Summary of Code Violations Table
- Findings and Action Plans

Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Employment Functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to

the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

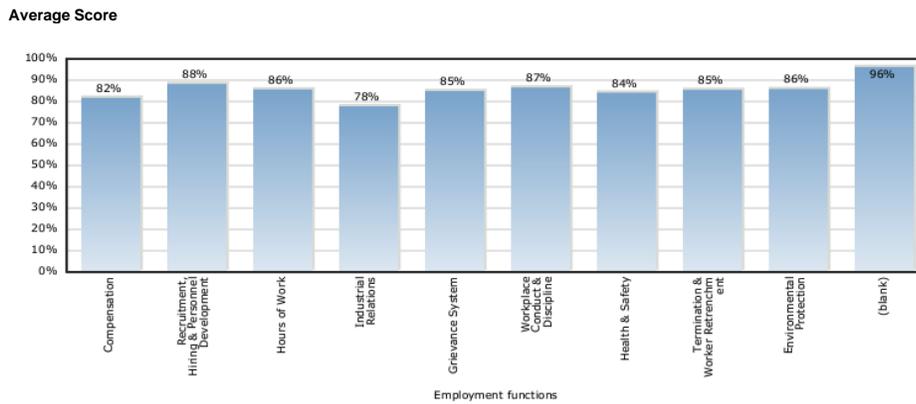
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Factory Profile

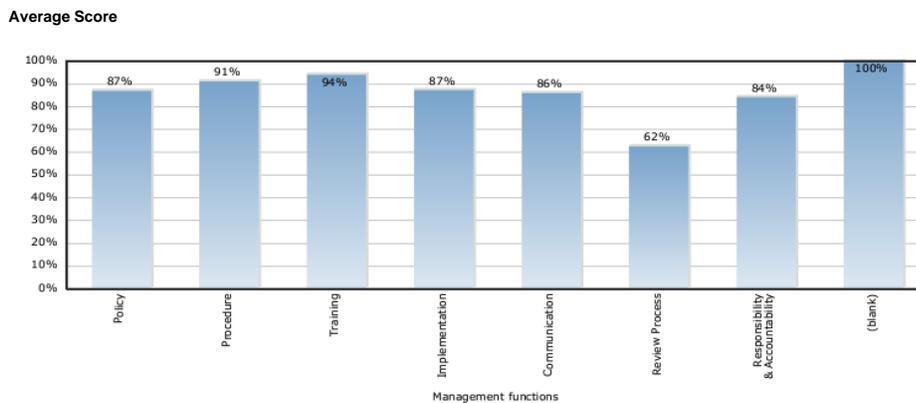
Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	81%	66.67%	66.67%	66.75%	83.33%	83.33%	83.33%	80%	83.33%
Procedure	96.67%	83.33%	80%	50%	100%	100%	100%	86.76%	100%
Responsibility & Accountability	94.5%	91.75%	94.5%	89%	91.75%	91.75%	91.75%	89%	89%
Review Process	0%	100%	100%	0%	50%	50%	100%	66.67%	83.33%
Training	89.29%	100%	100%	100%	100%	100%	83.33%	89.38%	100%
Implementation	93.02%	82.18%	88.52%	81.82%	94.44%	100%	100%	83.74%	90.91%
Communication	83.33%	87.5%	100%	50%	100%	83.33%	83.33%	83.33%	100%

Summary of Code Violations

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

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

FLA Code Element	Number of Violations	Violations
Compensation	3	General Compliance Compensation Workers Awareness and Understanding of Compensation Training and Probation Wage
Employment Relationship	8	General/Human Resource Management Systems Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Administration of Compensation/Termination Payouts General/Documentation and Inspection Administration of Fringe Benefits/Holidays, Leave, Legal Social Benefits and Bonuses Skills Development/Promotion, Demotion and Job Reassignment Health, Safety, and Environmental Management System/Policies and Procedures
Forced Labor	1	Freedom of Movement/Workers Ability to Terminate
Freedom of Association and Collective Bargaining	6	Employer Interference Employer Interference/Constitution, Elections, Administration, Activities and Programs Employer Interference/Registration Employer Interference/Favoritism Employer Interference/Police and Military Forces
Hours of Work	4	Right to Freely Associate General Compliance Hours of Work Annual Leave Annual Leave/Wage Payments Protected Workers (Women and Young Workers)/Regulations on Hours of Work
Health, Safety and Environment	9	General Compliance Health, Safety, and Environment Ventilation/Electrical/Facility Installation and Maintenance Proper Use of Machinery Ergonomics Food Preparation Dormitory Facilities Notification and Record Maintenance Evacuation Requirements and Procedure Personal Protective Equipment
Non-Discrimination	2	General Compliance Nondiscrimination Protection and Accommodation of Pregnant Workers and New Mothers

Findings and Action Plans

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**FINDING TYPE: Immediate Action Required****Finding Explanation**

1. The factory has set a probation period of 6 months, which is in line with local requirements; however, it exceeds the maximum of 3 months as per FLA Workplace Code and Benchmarks.
2. There is a repeated probation term for workers returning for employment. According to applicable legal requirements, returning employees should not be subject to additional probation terms in the same workplace.
3. The factory has not signed an indefinite labor contract with employees who have worked at the factory for 10 consecutive years, even though local law requires it.
4. The factory has not hired any disabled workers, which is a violation of legal requirements, which state that at least 0.5% of the total workforce should consist 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 FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

Law of Employment Contract of PRC, Articles 14 and 19; Regulations on the Employment of Persons with Disabilities, Article 8; FLA Workplace Code (Employment Relationship Benchmark ER.3.2; Non-Discrimination Benchmark ND.2.1; Compensation Benchmark C.3)

Recommendations for Immediate Action

1. Change all existing workers' probation to 3 months; have workers sign new contracts, which state that the maximum probation period is 3 months.
2. Review and revise the labor contracts regarding repeated probation terms for workers returning for employment, as they are not to be subject to additional probation terms in the same workplace.

COMPANY ACTION PLANS

1. Factory will adjust the probation period from 6 months to 3 months starting from Oct 2015.

Action plan status: Planned

Planned completion date: 10/30/15

2. Returning employees will not have additional probation term. This has been mentioned in recruitment policy in point 2.2 and implemented immediately.

Action plan status: Completed

Planned completion date: 11/20/14

Progress update: 04/30/15 : Tumi auditor reviewed the relevant documents and interviewed worker representatives to confirm this implementation.

Completion date: 11/25/14

3. The term of indefinite labor contract has been added into recruitment policy chapter 5 point 2.3, worker representatives and general workforce are well communicated. For the employees who has been working over 10 years OR met the criteria of indefinite contract will arrange to sign indefinite contract in July 2015.

Action plan status: Planned

Planned completion date: 07/31/15

4. Factory agreed hiring disable workers, otherwise factory will pay the employment security fund for the insufficiency. Factory is now doing recruitment separated by posting advertisement at the front gate and contacting local disabled association.

Action plan status: In Progress

Planned completion date: 12/30/15

Progress update: 04/30/15 : Factory has posted the advertisement at the front gate, so far no disable workers come for recruitment. And no response from local disable association.

FINDING NO.2

COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not provide pension insurance for employees until they have completed the 6-month probation period, instead of within 30 days of hire as per legal requirements.
2. The social insurance contribution base is not aligned with workers' actual earnings as per local law. The factory calculates the contribution base according to the minimum contribution standard, while most workers' actual earnings are higher.
3. The factory provides Housing Provident Funds only to employees who have worked for the factory for more than 5 years, instead of within 30 days of hire. Additionally, the contribution base amount for the housing fund is below workers' actual earnings, which is also in breach of local law.
4. The factory's procedure for determining termination payouts does not take legal requirements into account. Workers' termination payouts are not paid within 3 working days of leaving the factory, as per legal requirements; instead, they are paid on the next regular payday.
5. Based on review of the factory's policy and practices, the factory does not take seniority (including previous job experience prior to factory employment) into account when calculating annual leave; subsequently, workers with 10 years or more tenure are given 5 days of paid annual leave as opposed to the 10 days required by law.
6. The factory has not informed employees of the fringe benefit regarding mandatory prenatal leave; therefore, eligible workers have been having their prenatal medical examinations on the weekends.

Local Law or Code Requirement

Insurance Law of PRC, Article 58; Pension Insurance Regulations of Shenzhen City (2012), Article 10; Medical Insurance Regulations of Shenzhen City (2014), Article 9; Regulation on Guangdong Province Housing Provident Fund Deposit Management, Article 12; Interim Measures on Shenzhen City Housing Provident Fund Deposit Management, Article 16; Regulation on Shenzhen City Wage Payment, Article 13; Implementation Measures of Employees' Paid Annual Leave (2008), Article 4; FLA Workplace Code (Employment Relationship Benchmarks ER.19.1 and ER.22.1; Hours of Work Benchmark HOW.11; Compensation Benchmarks C.1 and C.17.1.3)

Recommendations for Immediate Action

1. Termination payouts should be paid within 3 workdays of workers leaving the factory as per local law.

COMPANY ACTION PLANS

1. Factory communicated with worker representatives and came up an agreement to pay the termination payout in coming regular payday, this term also stated on the wage management procedure.

Action plan status: Completed

Planned completion date: 01/28/15

Progress update: 05/01/15 : Tumi auditor reviewed the documents, and got the acknowledgement from worker interviews.

Completion date: 03/19/15

2. Seniority will be counted in annual leave if employees provide valid documents. There was a misunderstanding on the words of annual leave calculation, actually factory is paying annual leave in compliance with law, entitling 5 days annual leave if worked over 1 year and less than 10 years, 10 days leave if worked over 10 years and less than 20 years. To avoid this misunderstanding, factory has revised the content.

Action plan status: Completed

Planned completion date: 11/04/14

Progress update: 05/01/15 : Tumi auditor reviewed the relevant documents, and observed that the notice is posted in bulletin.

Completion date: 11/25/14

3. Eligible workers can have their prenatal medical examinations on weekdays when the worker can submit written prove from the hospital. This term has been added into pregnant management procedure point 4.3.7, and also communicated with workers representatives and general workforce.

Action plan status: Completed

Planned completion date: 10/09/14

Progress update: 05/01/15 : Confirmed the implementation by reviewing documents and worker representatives interview.

Completion date: 11/25/14

4. Factory worked out a progressive action plan to comply with this requirement. May 2015 will start to provide pension insurance for the employees completed 5 months employment. May 2016 will start to provide pension insurance for the employees completed 4 months employment. May 2017 will start to provide pension insurance for the employees completed 3 months employment. May 2018 will start to provide pension insurance for the employees completed 2 months employment. May 2019 will start to provide pension insurance for the employees completed 1 month employment.

Action plan status: Planned

Planned completion date: 05/31/19

5. Factory worked out a progressive action plan to comply with this requirement, Feb 2016 will start to calculates the contribution base according to the minimum contribution +20%. Feb 2017 will start to calculates the contribution base according to the minimum contribution +40%. Feb 2018 will start to calculates the contribution base according to the minimum contribution +60%. Feb 2019 will start to calculates the contribution base according to the minimum contribution +80%. Feb 2020 will start to calculates the contribution base according to the actual wages.

Action plan status: Planned

Planned completion date: 02/29/20

6. Oct 2015 will start to provide Housing Provident Funds to the employees who have worked for the factory for more than 4 years. Oct 2016 will start to provide Housing P Funds to the employees who have worked for the factory for more than 3 years. Oct 2017 will start to provide Housing P Funds to the employees who have worked for the factory for more than 2 years. Oct 2018 will start to provide Housing P Funds to the employees who have worked for the factory for more than 1 year. Oct 2019 will start to provide Housing P Funds to the employees who have worked for the factory for more than 30 days.

Action plan status: Planned

Planned completion date: 10/31/19

FINDING NO.3

HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory's production plans regularly include overtime. The factory's regular work hours are 8.5 hours a day and 6 workdays a week; however, legally, regular work hours should be 8 hours a day and 5 workdays a week. Furthermore, the factory still requires additional hours of overtime.

2. On average, monthly overtime hours are 90 hours during the regular season and 120 hours during the peak season (April and May, respectively); these hours exceed the legal limit of 36 hours of overtime per month and the limits of the factory's Cumulative Working Hours System (CWHS) waiver. Additionally, the factory's daily overtime is 4 – 4.5 hours, while the maximum daily overtime allowed by law is 3 hours.
3. On average, weekly work hours are 62 hours during the regular season and 70 hours during the peak season; occasionally, workers work up to 75 hours per week, which exceeds the FLA Workplace Code and Benchmark requirements of 60 hours per week.
4. One female employee, who is 9-months pregnant, still works overtime on both regular days and Saturdays.

Local Law or Code Requirement

Labor Law of PRC, Article 41; Provisions for Labor Protection of Female Workers, Article 6; FLA Workplace Code (Non-discrimination Benchmark ND.8.1; Hours of Work Benchmarks HOW.1.1, HOW.4.1, and HOW.11; Forced Labor Benchmark F.7.5)

Recommendations for Immediate Action

1. Revise the policies and procedures related to pregnant women, especially in regards to women who are more than 7-months pregnant. Ensure that the female employee who is currently 9-months pregnant works no more overtime.
2. Production plans shall not include overtime on a regular basis.
3. Weekly work hours shall not exceed 60 hours per week. Daily overtime hours shall not exceed 3 hours per day.
4. FLA affiliate company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
 - a) how to provide better order forecasts to the factories;
 - b) possible workshops/consultancy for the factory on how to improve productivity/quality;
 - c) clear guidelines on how to extend shipment deadlines in case of contingencies;
 - d) steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
 - e) clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
 - f) clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

COMPANY ACTION PLANS

1. Factory has adjusted the regular working hour from 8.5 to 8 hours, in employee handbook and working hours management procedure point 4.1.1 and 4.1.2 and 4.2.1 stipulated the regular working hours and working days. This has been communicated to general workforce by posting notice on bulletin, effective from Nov 1.

Action plan status: Completed

Planned completion date: 10/28/14

Progress update: 05/01/15 : Tumi auditor reviewed relevant documents and confirmed by worker interview.

Completion date: 11/25/14

2. Factory established a new factory in Vietnam in end of 2013, production capacity and human resource are being increased gradually, this can share the workload from shenzhen factory. Management targeted the weekly working hours from 75 hours to 70 hours from now to March 2015, then control to 65 hours from April to October, afterward meet 60 hours requirement in November 2015.

Action plan status: In Progress

Planned completion date: 12/30/15

Progress update: 05/01/15 : Tumi auditor reviewed the attendance record from January to March 2015, the maximum working hours was controlled within 68 hours a week.

3. 7-months pregnant is not allowed to work OT, it is clear to state on pregnant management procedure and will be enforced strictly.

Action plan status: Completed

Planned completion date:	09/29/14
Progress update:	05/01/15 : Tumi auditor check the attendance record of pregnant, and confirmed this is well implemented.
Completion date:	11/25/14

FINDING NO.4

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There is no freedom of association policy.
2. Currently, the factory has neither an official trade union or collective bargaining agreement in place. There is a worker representative body comprised of 20 representatives; however, there are no records on file that indicate that elections have been held. Also, based on the factory's written procedure, worker representatives are to be nominated and approved by factory management.
3. **FLA Comment:** The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 does stipulate 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

FLA Workplace Code (Employment Relationship Benchmark ER.1.1, Freedom of Association Benchmarks FOA.2, FOA.10, FOA.11, and FOA.12)

COMPANY ACTION PLANS

1. The policy of Freedom of Association has been included to orientation training for new workers and on-going training for all workforce. Training materials was shown during follow up visit.

Action plan status:	Completed
Planned completion date:	11/01/14
Progress update:	05/01/15 : Tumi auditor reviewed relevant document and acknowledgement from worker representatives.
Completion date:	11/25/14

2. The first session of worker representatives will be expired on Dec 25, they are organizing the election for second session and expect completion in end of Dec.

Action plan status:	Completed
Planned completion date:	12/27/14
Progress update:	05/01/15 : The 2nd session of worker representatives were elected by workers on Dec 28, 2014.
Completion date:	12/28/14

FINDING NO.5

WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory uses negative incentives as a means to ensure workers properly use machinery. For example, Article 4.5.1 in the Employee Handbook states that, “employees will be given a (written) warning if they do not operate machinery based on standard operation procedure.”

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.15.3)

COMPANY ACTION PLANS

1. Factory removed the article 4.5.1 from employee handbook and communicated with worker representatives.

Action plan status: Completed

Planned completion date: 11/20/14

Progress update: 05/01/15 : Tumi reviewed the document and confirmed by worker representatives

Completion date: 11/25/14

FINDING NO.6

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not record or review all worker complaints. There are currently 4 channels for workers to lodge complaints through: a) supervisors and administrative managers; b) worker representatives; c) suggestion boxes; and d) a hotline; however, the factory only reviews and records complaints received through suggestion boxes and worker representatives. These practices indicate a risk that the current grievance system may not be functioning effectively.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.25.2)

COMPANY ACTION PLANS

1. Factory created a standard form to record the complaints from all channels, and added this requirement on grievance procedure.

Action plan status: Completed

Planned completion date: 11/20/14

Progress update: 05/01/15 : Tumi auditor interviewed the hotline operator and some production line leaders, they all were trained up to record the complaint on standard form.

Completion date: 11/26/14

FINDING NO.7

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Based on the factory's fire drill procedures, related records, and worker interviews, the existing evacuation plan has the following risks:
 - a) the evacuation path leads to an assembly area that is locked during work hours;
 - b) the factory has a 3-story production building; however, the factory has arranged for each production floor to evacuate one at a time during the annual fire drill, instead of having all floors evacuate simultaneously.

Local Law or Code Requirement

Provisions on the Administration of Fire Control Safety of State Organs, Organizations, Enterprises, and Institutions, 2002, Article 21; FLA Workplace Code (Health, Safety and Environment Benchmark HSE.5.1)

Recommendations for Immediate Action

1. Refine the emergency preparedness and factory practices to ensure that: a) all assembly areas are freely accessible during all work hours and b) factory conditions are such that workers from all production floors can evacuate simultaneously and safely in case of an emergency.

COMPANY ACTION PLANS

1. The original assembly point A at basketball field where separated by fencing, factory management decided moving the Point A to the space closed to south gate, please refer the factory floor plan. Factory revised the emergency action plan to have all workers evacuate at the same time, and fire drill took place on Oct 28 had already followed this practice.

Action plan status: Completed

Planned completion date: 09/15/14

Progress update: 05/01/15 : Tumi auditor reviewed the documents and interviewed workers who work at the 2nd floor & the 3rd floor to confirm they used the right practice in fire drill.

Completion date: 11/26/14

FINDING NO.8

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. 8 out of 50 children (5 – 15 years old) were playing in the dormitory areas without a guardian, while their parent(s) were working in the factory.
2. Many liquefied gas cylinders for cooking were found in dormitory rooms dedicated to administrative personnel, in violation of the legal requirements.

Local Law or Code Requirement

Law of the People's Republic of China on the Protection of Minors (2006), Article 16; Standard for Fire Safety Management of Assembly Occupancies GA654-2006, Article 8.8.5; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.25.1)

Recommendations for Immediate Action

1. Assist workers (parents) in finding guardians to accompany their children in the dormitory areas during work hours. The factory is also recommended to explore the possibility of providing a childcare facility, although it is not legally required.
2. Ensure that fire safety regulations are met in the dormitory areas and that: a) no cooking is allowed and b) liquefied gas cylinders are removed from the dormitory.

COMPANY ACTION PLANS

1. All children who live in dorm must be registered, make sure the age under 12 must be taken care by guardian. In summer holiday when the children come for seeing their parent from home town, the TV room at ground floor will be arranged for the children who without guardian, and factory assign appropriate person to take them care.

Action plan status: Completed

Planned completion date: 08/18/14

Progress update: 05/01/15 : Tumi auditor reviewed the document and toured for the dorm to verify the implementation.

Completion date: 11/26/14

2. Cooking is prohibition at dorm, this has been stated on dormitory management procedure and communicated with workers. EHS team takes regular check for dorm and collects the cookers and gas cylinders if they found, workers are allowed to get them back if they quit or move out from dorm. Family members who live in dorm are allowed to have lunch or dinner at canteen or pick up their foods from canteen.

Action plan status: Completed

Planned completion date: 10/06/14

Progress update: 05/01/15 : Tumi audit toured for the dorm and confirmed no gas cylinders and cookers there.

Completion date: 11/26/14

FINDING NO.9

HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. No safety boots or insulated shoes were provided to the electricians, maintenance staff, and workers working in the molding workshop against the risk of falling objects and electric shock.
2. The factory does not provide appropriate personal protective equipment (PPE) for workers who handle hazardous chemicals. For instance, according to the material safety data sheet (MSDS) for the chemical PT-905H, an air-supplied respirator should be provided for workers; however, based on observation, only regular masks were provided.
3. Currently, the factory provides occupational health examinations for eligible workers only once per year (in March). This practice does not comply with legal regulations that workers working with hazards should be provided pre-job, on-the-job, and pre-departure occupational health examinations at employer's cost. For instance, with the current practice: a) if new eligible workers enter the factory in April, they would miss the pre-job occupational health examinations and have to wait until next March to receive them and b) if eligible workers resign before March, they do not receive their pre-departure examinations.

Local Law or Code Requirement

Code of Practice for Selection of PPE GB11651-2008, Article 6: A01, A04, and A09; Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Articles 23 and 36; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.7)

Recommendations for Immediate Action

1. Provide PPE (insulated shoes for electricians; safety boots for maintenance staff and workers working in the molding workshop).
2. Based on the applicable MSDS, provide appropriate PPE for workers who work with hazardous chemicals.
3. Provide occupational health examinations (3 types: pre-job, on-the-job, and pre-departure) for eligible workers in line with legal requirements.

COMPANY ACTION PLANS

1. Factory has equipped safety boots for molding shop workers and insulated shoes for electricians, added this requirement onto PPE application procedure and educated the related persons.

Action plan status: Completed

Planned completion date: 09/05/14

Progress update: 05/01/15 : Tumi auditor has verified the molding shop workers and electricians were wearing protective shoes during the factory tour.

Completion date: 11/26/14

2. PT-905H is one kind of adhesive and apply on gluing process for leather, factory has clarified with supplier to confirm the appropriated PPE is protective mask, adhesive supplier has revised PPE guidance on their MSDS.

Action plan status: Completed

Planned completion date: 10/15/14

Progress update: 05/01/15 : Tumi auditor verified the MSDS revision.

Completion date: 11/26/14

3. Occupational health examinations are provided for the workers who work expose to chemical, noise and dust in stages of pre-job, on-job and pre-departure.

Action plan status: Completed

Planned completion date: 10/30/14

Progress update: 05/01/15 : Tumi auditor reviewed the health examination reports

Completion date: 11/26/14

FINDING NO.10

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. New workers were not provided written documentation that substantiates all of the issues covered in the orientation training. Additionally, there was no orientation on the environmental protection.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15.3 and ER.16)

COMPANY ACTION PLANS

1. Factory has added the relevant elements onto the powerpoint file which uses for orientation training.

Action plan status: Completed

Planned completion date: 10/15/14

Progress update: 05/01/15 : Tumi auditor reviewed the training materials and confirmed by some new comers this is included in their orientation training.

Completion date: 11/26/14

FINDING NO.11

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not periodically review its policies or procedures. The factory has only reviewed parts of its policies and procedures on Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Health & Safety. Additionally, the factory does not have a tracking system to record its history of policy and procedure review. For example, the factory's briefing material states that, "the factory hires employees who are over 18 years old according to the national legislation," while there is no such requirement as per national law and the factory has hired young workers in the past.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.31.1)

COMPANY ACTION PLANS

1. Factory does conduct internal audit twice a year which included the policies and procedures review, the source of legislation update is mostly research from government website and newspaper. Factory agreed that the revised topic and timing were not recorded in a systematic way, so factory has improved this by marking down the revision record on bottom page of each document, that could be easy to track the history.

Action plan status: Completed

Planned completion date: 11/10/14

Progress update: 05/01/15 : Tumi auditor review the recent document updates.

Completion date: 11/26/14

FINDING NO.12

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

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

Local Law or Code Requirement

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

COMPANY ACTION PLANS

1. From now on all new policies and procedures or revisions are required to send worker representatives review, after that factory management post a notice on bulletin to make workers aware, any disagreements or suggestions could be feedback to management through 4 channels that state in grievance procedure.

Action plan status: Completed

Planned completion date: 10/07/14

Progress update: 05/01/15 : Tumi auditor noticed that most of new policies and procedures have been reviewed by worker representatives and with thier signature during the verification visits.

Completion date: 11/26/14

FINDING NO.13

HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Based on the factory's practices and policies, the canteen staff does not keep food samples as per legal requirements.
2. Most chairs provided to workers do not have backrests that support their lower backs in order to reduce the risk of worker accidents and Musculoskeletal Disorder (MSDs).
3. The factory has not maintained all work-related injury or accident/incident records (e.g., minor and near-miss cases). For example, workers are not required to fill in their reason for using medical supplies when they take them from first aid boxes.
4. According to the assessor's random tests around the factory and the factory's own internal testing records, the illumination levels in about 20% of the workplace areas range from 80 – 260 lux, which are below the legal requirement of 300 lux.

Local Law or Code Requirement

Regulation on Hygienic of Food Industry and Delivery Unit of Group Meals (2005), Article 35; Standard for Lighting Design of Buildings GB50034-2004, Sheet 5.3.1; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.3.1, HSE.13, HSE.17, and HSE.22.1)

COMPANY ACTION PLANS

1. Canteen is required to keep food samples for 48 hours, and added this requirement onto canteen management procedure.

Action plan status: Completed

Planned completion date: 09/15/14

Progress update: 05/01/15 : Tumi auditor toured for canteen and found the food samples were keeping in refrigerator, time was recorded and labelled on the basket.

Completion date: 11/26/14

2. Factory measured the illumination level within facility and recorded the areas where under 260 Lux, electricians were informed to install additional lights.

Action plan status: Completed

Planned completion date: 03/31/15

Progress update: 05/01/15 : The areas were detected with insufficient illumination have been installed the additional lights.

Completion date: 03/28/15

3. Workers are required to fill the reason when they use the medical supplies from first aid kit.

Action plan status: Completed

Planned completion date: 09/09/14

Progress update: 05/01/15 : Tumi auditor reviewed the records during the follow up visit.

Completion date: 11/28/14

4. Factory is planning to change the chair to with backrest gradually, if current chairs are damaged the new source chairs will have backrest.

Action plan status: Planned

Planned completion date: 12/27/19