Employers will prohibit screaming, threatening or poor performance. Employers will not use monetary fines and penalties for poor performance. If workers are absent for 1 day, factory deducts wages equivalent to 3 days of pay. Management is very rude to workers when workers make mistakes.

### FLA Audit Profile

<table>
<thead>
<tr>
<th>Feature</th>
<th>Notable Issues</th>
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<tr>
<td>IEM Findings</td>
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<td>Update</td>
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</table>

### FLA Benchmark

**Documentation**

1. Include new instructions/policy in briefing about policy and post it in all working areas.
2. Provide training of management in every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, or younger than the age for completing compulsory education in the country of manufacture where such age is higher than otherwise.

### FLA Benchmark

**Documentation**

3. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

4. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

5. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

6. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

7. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

8. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

9. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

10. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

11. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

12. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

13. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

14. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

15. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

16. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

17. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

18. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

19. Child Labor

- There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or issuing monetary fines and to deduct from management or file a complaint to HR and posters, workers can call top management and supervisors to explain this policy. 3) As stated in worker’s COC card; 1) Factory has posted public notice at factory site on non-monetary fines and updated 1) Written policies on these policies and posted in public documents on file 1) Posted notice; 2) Worker’s personal pocket; 3) Interview with card; 4) Employment workers; 4) Employee orientation slides

### FLA Benchmark

**Documentation**

20. Harassment or Abuse

- 2) Brief all employees against the worker making the complaint. 2) Procedures. Include in guidelines an handle disciplinary cases and complaint procedures. 3) Training provided to workers which contains policies and guidelines, as well as complaint procedures. 3) Training provided to Employment workers; 4) Employee orientation slides
On-site inspections found that all fire emergency equipment is inspected regularly. 2) Brief workers on proper and consistent use. 2) Include in the yearly activities for health and safety audit. 3) The factory has obtained the OSHAS18001 registration. 4) Factory has provided training for all new workers.

Documentation:

- Internal HSE audit
- Machine supervision
- Visual inspection
- All safety and medical equipment (such as fire fighting equipment, Personal Protective Equipment (PPE), first aid kits, etc.) shall be in place, maintained, properly guarded and operated in a safe manner.
- Other documentation

- FLA Code/Compliance
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<thead>
<tr>
<th>Feature</th>
<th>Risk of Noncompliance</th>
<th>IEM Findings</th>
<th>Noncompliance</th>
<th>If Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Issue instructions to punch-in and punch-out from the factory</td>
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<tr>
<td>2) Working hours are calculated accurately in payroll</td>
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<tr>
<td>3) Workers are enrolled in various schemes mandated by local labor department</td>
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<td>4) Workers are paid exactly according to the working hour records and to transfer them to the pension plan</td>
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<tr>
<td>5) The number of workers who were registered with social security coverage</td>
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<td>6) Management to inform workers of all legal benefits</td>
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<tr>
<td>7) Workers will not be deducted if they choose to dine outside of the factory canteen</td>
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<tr>
<td>8) Management to provide all workers with a dormitory, meal, electricity and water from local social security department</td>
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<tr>
<td>9) Workers are covered by commercial insurance on account of accident and injury insurance as required by local law.</td>
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<tr>
<td>10) Workers are covered by medical/maternity insurance.</td>
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<tr>
<td>11) Management to provide all workers with a Davidson orientation program on social security</td>
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</table>

**Notes:**
- FLA Benchmark: (Not applicable in this context)
- Article 72, PRC Labor Code, 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and workers to negotiate collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Chinese constitution guarantees Freedom of Association; however, the Trade Unions Act are contrary to the fundamental principles of freedom of association, including the non-recognition of trade unions and collective bargaining. Employers will recognize and respect the right of employees to freedom of association and collective bargaining.

**Legal Benefits:**
- Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will ensure that guideline are in accordance with local law. Factory only provides 765 workers with maternity insurance; 33% with medical/maternity insurances to all workers, and website provided with maternity insurance. 2) 100% workers are covered by medical insurance. 3) 100% eligible female workers with maternity insurance as required by local social security insurance. 4) other expenses as ruled by management. Noncompliance: Based on social insurance receipt and record review, we found working hours in payroll to be higher than the ones on time cards (per calculations). 5. Freedom of Association and Collective Bargaining

**Payroll:**
- All workers have a right to use or not to use employer provided services such as housing or meals. Employers will provide all legally mandated benefits to all eligible workers. Management to provide all workers with a Davidson orientation program on social security.
According to Article 41 PRC, the worker's capacity should be based on regular work, which is confirmed based on time records and production documentation. Hours Worked premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, the regular work week plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.

10. Overtime Compensation

Overtime Limitations

Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.

Employees will be paid for all hours worked in a work week. Calculation of hours worked must include all time that the employer allows or requires the worker to work. Workers' working hours are more than 11 hours. Factory should regularly refresh their overtime work. Factory is posting fixed hours policy and reducing working hours through internal management. There are over 10 nights per month when workers need to work overnight in this May and June. Workers have a right to report the violation to senior factory site management.