### FLA Benchmark

**Company Follow Up**

**Mar 20, 2006**

**Documents/Source**

12021547C

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**Those residents have been provided with proper choice of accommodation to ensure they are not placed in the same building as generator and waste warehouse.**

According to clause 15 of China Fire Prevention Law, kitchens, and clinics, shall be kept clean and safe and from production and warehouse, it is required to provide them with sufficient and suitable rooms for the residents. According to on site observation, there are 6 staff bedrooms placed in the same building as generator and waste warehouse. FLA Monitoring Visit Profile 6/08/04

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**No dormitory can be placed in the same building of production or warehouse.**

According to clause 24 of The Implementation Regulations on Dangerous Chemical Storage, the chemicals should be stored in a separate place only for storage, such as generator and waste warehouse. The factory stores chemicals inside chemical storage room. FLA Monitoring Visit Profile 6/08/04

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**The factory stores chemicals inside materials warehouse and separated from production and warehouse, it is required to provide them with sufficient and suitable rooms for the residents.**

According to on site observation, there are 6 staff bedrooms placed in the same building as generator and waste warehouse. FLA Monitoring Visit Profile 6/08/04

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**The factory stores chemicals inside materials warehouse, not separated from production and warehouse.**

According to on site observation, there are 6 staff bedrooms placed in the same building as generator and waste warehouse. FLA Monitoring Visit Profile 6/08/04

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**There are 6 staff bedrooms placed in the same building of production or warehouse.**

According to on site observation, there are 6 staff bedrooms placed in the same building as generator and waste warehouse. FLA Monitoring Visit Profile 6/08/04

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**Facility must develop and publish non-retaliation policy & communicate between workers and management.**

Facility must develop and publish non-retaliation policy & communicate between workers and management. FLA Monitoring Visit Profile 6/08/04

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**Train all relevant staff on proper chemical storage safety standards. (2) For additional guidance on proper safety measures for chemical storage, such as MSDS postings and secondary containers.**

FLA Monitoring Visit Profile 6/08/04

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**Workers interview**

3/31/04

1) Document with workers’ signatures and 2) Reebok auditor checked the audit summary and withdrew them.

2) FLA auditor reviewed and confirmed that all employees were trained in chemical storage safety and workers being trained in chemical safety are available for inspection.

3) FLA identified several areas for improvement: 1) Chemicals should be stored in a separate place only for storage. 2) The factory needs to set up a grievance procedure and a handbook had been finalized. Factory had set up grievance procedure and handbook had been finalized. Factory could not provide selection records or other documents regarding labor contract with employee.

4) FLA identified several areas for improvement: 1) The factory provided a name list of workers who worked in the factory for more than 5 years. 2) Factory provided employees with meal tickets for any meals they want to purchase. 3) Factory needs to develop and publish a non-retaliation policy & communicate between workers and management.

5) FLA identified several areas for improvement: 1) The factory needs to develop and publish a non-retaliation policy & communicate between workers and management. FLA identified several areas for improvement: 1) The factory needs to develop and publish a non-retaliation policy & communicate between workers and management.

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**Factory Response**

31-May-04

Reebok/Puma on/before June 25.

Draft of the handbook will be issued to employees. Factory Response:

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**Company Follow Up**

**March 2006**

**Documentation/Source**

- **Country**: China
- **PC Follow Up**: FLA Benchmark
- **Factory Follow Up**: China
- **Date of audit**: March 11, 2006
- **FLA Monitoring Visit Profile**: 6/08/04
- **Product**: Sports Garments

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### FLA Code-Compliance Score

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The amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and that unions must be accountable to their members. The act also grants representative rights to management on key issues of importance to their employees and to wage collective agreements. This grants the trade unions an enhanced role in disputes 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.
# FLA Code Compliance Issue

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<td>Hours of Work</td>
<td>According to clause 38 of China Labor Law, all required in the country of manufacture or, in those countries where such laws 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.</td>
<td>Employers will pay workers the legal minimum wage or the maximum premium rate, whichever is higher, for hours worked in excess of the regular work week. All worked days or hours should be reflected on time card or any other record. There should be no working days or hours not reflected on the time card or any other record.</td>
<td>Workers should be required to communicate orally and in writing to workers that every worker should be reflected on time card or any other record and as of which dates, and type of benefits which must be provided during this audit, it violated clause 44 of China Labor Law.</td>
<td>According to final inspection records from February 2004, it was identified during audit, it violated clause 41 of China Labor Law.</td>
<td>The factory only provided disability insurance for 80 workers, accident insurance for 280 workers, and as of which dates, it was identified during this audit, it violated clause 73 of China Labor Law.</td>
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<td>According to clause 38 of China Labor Law, all piece work shall 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.</td>
<td>Employers will provide all legally mandated benefits to employees, as determined by applicable local social insurance laws. In addition, employers are expected to inform workers of any changes in their social insurance status.</td>
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**Findings**

- **Legal Reference**: According to clause 38 of China Labor Law, all required in the country of manufacture or, in those countries where such laws 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.
- **FLA Benchmark**: Employers will pay workers the legal minimum wage or the maximum premium rate, whichever is higher, for hours worked in excess of the regular work week. All worked days or hours should be reflected on time card or any other record. There should be no working days or hours not reflected on the time card or any other record.
- **Monitor’s Findings**: Workers should be required to communicate orally and in writing to workers that every worker should be reflected on time card or any other record and as of which dates, and type of benefits which must be provided during this audit, it violated clause 44 of China Labor Law.
- **Documentation/Source**: According to final inspection records from February 2004, it was identified during audit, it violated clause 41 of China Labor Law.
- **Best Practice**: Employers will provide all legally mandated benefits to employees, as determined by applicable local social insurance laws. In addition, employers are expected to inform workers of any changes in their social insurance status.
- **PC remediation plan**: There should be no working days or hours not reflected on the time card or any other record.
- **Target: Compensation Rate**: According to final inspection records from February 2004, it was identified during audit, it violated clause 44 of China Labor Law.
- **Factory Response**: The factory only provided disability insurance for 80 workers, accident insurance for 280 workers, and as of which dates, it was identified during this audit, it violated clause 73 of China Labor Law.
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