## FLA Code Compliance Issue

**Country Law/Legal Reference**  
The Chinese constitution guarantees Freedom of Association; however, the Trade Union Law of China, which governs labor relations, includes provisions that limit the rights of workers to freely organize and bargain collectively.

**FLA Benchmark**  
Fla. 4.1: Workers shall have the right to freely organize and bargain collectively with, or occurring in the course of work or as a result of the operation of employer facilities.

**Noncompliance**  
Workers do not have the right to freely organize and bargain collectively with, or occurring in the course of work or as a result of the operation of employer facilities.

**Risk of Noncompliance**  
The factory should establish and implement a FLA Code of Conduct, including provisions that guarantee freedom of association and collective bargaining.

**Evidence of Noncompliance**  
No workers at this factory have publicly advocated for or participated in collective bargaining activities.

**IEM Findings**  
No evidence of collective bargaining activity.

**Documented**  
IEM Team found no evidence of collective bargaining activity.

## Child Labor

**Issue**  
There are concerns that the factory may be employing children under the age of 15.

**FLA Benchmark**  
FLA 5.3: No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.

**Noncompliance**  
There is evidence that children under the age of 15 are employed at the factory.

**Risk of Noncompliance**  
The factory should ensure that it does not employ any children under the age of 15.

**Evidence of Noncompliance**  
Children under the age of 15 were observed working on the factory floor.

**IEM Findings**  
Evidence of child labor.

**Documented**  
IEM Team observed children under the age of 15 working on the factory floor.

## Health and Safety

**Issue**  
The factory has not established a comprehensive health and safety policy.

**FLA Benchmark**  
FLA 6.4: Workers shall be trained to recognize safety labels, to properly use and store hazardous chemicals, to read and understand technical directions and warning labels, and to properly handle and dispose of hazardous chemicals.

**Noncompliance**  
Workers are not trained in recognizing and handling hazardous chemicals.

**Risk of Noncompliance**  
The factory should ensure that all workers are trained in recognizing and handling hazardous chemicals.

**Evidence of Noncompliance**  
Workers were not trained in recognizing and handling hazardous chemicals.

**IEM Findings**  
Workers were not trained in recognizing and handling hazardous chemicals.

**Documented**  
IEM Team observed that workers were not trained in recognizing and handling hazardous chemicals.

## FLA Audit Profile

**Issue**  
The factory has not established a comprehensive health and safety policy.

**FLA Benchmark**  
FLA 6.4: Workers shall be trained to recognize safety labels, to properly use and store hazardous chemicals, to read and understand technical directions and warning labels, and to properly handle and dispose of hazardous chemicals.

**Noncompliance**  
Workers are not trained in recognizing and handling hazardous chemicals.

**Risk of Noncompliance**  
The factory should ensure that all workers are trained in recognizing and handling hazardous chemicals.

**Evidence of Noncompliance**  
Workers were not trained in recognizing and handling hazardous chemicals.

**IEM Findings**  
Workers were not trained in recognizing and handling hazardous chemicals.

**Documented**  
IEM Team observed that workers were not trained in recognizing and handling hazardous chemicals.

## Visual Inspection

**Issue**  
The factory has not established a comprehensive health and safety policy.

**FLA Benchmark**  
FLA 6.4: Workers shall be trained to recognize safety labels, to properly use and store hazardous chemicals, to read and understand technical directions and warning labels, and to properly handle and dispose of hazardous chemicals.

**Noncompliance**  
Workers are not trained in recognizing and handling hazardous chemicals.

**Risk of Noncompliance**  
The factory should ensure that all workers are trained in recognizing and handling hazardous chemicals.

**Evidence of Noncompliance**  
Workers were not trained in recognizing and handling hazardous chemicals.

**IEM Findings**  
Workers were not trained in recognizing and handling hazardous chemicals.

**Documented**  
IEM Team observed that workers were not trained in recognizing and handling hazardous chemicals.

## Factory Response

**Issue**  
The factory has not established a comprehensive health and safety policy.

**FLA Benchmark**  
FLA 6.4: Workers shall be trained to recognize safety labels, to properly use and store hazardous chemicals, to read and understand technical directions and warning labels, and to properly handle and dispose of hazardous chemicals.

**Noncompliance**  
Workers are not trained in recognizing and handling hazardous chemicals.

**Risk of Noncompliance**  
The factory should ensure that all workers are trained in recognizing and handling hazardous chemicals.

**Evidence of Noncompliance**  
Workers were not trained in recognizing and handling hazardous chemicals.

**IEM Findings**  
Workers were not trained in recognizing and handling hazardous chemicals.

**Documented**  
IEM Team observed that workers were not trained in recognizing and handling hazardous chemicals.
Art. 72 of PRC Labor Law: Management

FLA Benchmark

Target Completion

OT Compensation

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rates for overtime compensation.

Overtime Limitations

and (ii) be entitled to at least one day off in every seven day period.

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 (b) the limits on regular and overtime hours allowed by the law of the country of manufacture

Least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally defined time periods.

Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at the normal wage if they are required to work on a day of rest and no deferred rest can be taken.

200% of normal wage if employees are required to work on a day of rest and a deferred rest cannot be taken.

Premium of Legal Holidays

of which 100% will be paid upon call of the security guards to stand by 24 hours without any break.

Art,51 of PRC Labor Law: During holidays, employees will get payment as required in labor law.

Contractual leave

For annual leave, employees will be entitled to take at least 10 days of leave per year, except in extraordinary business circumstances, that factory arranged 3 shifts of duty in 24 hours, security guards can have a day off a week. PCs confirmed that factory had purchased commercial accident injury insurance for rest of employees.

9. Hours of Work

As per time records review for September 2005, security guards worked 80 hours in a month and 300 hours during the whole year. PCs reviewed payrolls and time records, and interviewed several workers randomly selected. PC confirmed that factory had purchased the commercial accident injury insurance for rest of employees.

Wages

Employers will provide all legally mandated benefits to all eligible workers.

Legally mandated benefits will be provided or paid in accordance with local social insurance regulations.

Employers will provide all legally mandated benefits to all eligible workers.

FLA Code/ Compliance

Miscellaneous

Employees will be entitled to at least one day off in every seven day period. An extraordinary business circumstance will be defined as an event that could not have been anticipated or alleviated by other reasonable efforts.

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