



COMPANY: **The s.Oliver Group**
COUNTRY: **China**
ASSESSMENT DATE: **10/23/14**
MONITOR: **FLA Assessor Team (China)**
PRODUCTS: **Apparel**
PROCESSES: **Full [= full package]**
NUMBER OF WORKERS: **570**
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: **AA0000000532**

FLA Comments

Company comment: s.Oliver stopped working with this supplier in January 2015 because the supplier did not meet s.Oliver's requirements in regards to product quality. s.Oliver had only placed limited order volumes at this factory and therefore the company's leverage with this supplier had been low. Although orders continuously decreased and ceased completely in December 2014, this supplier had not been deactivated immediately as payment settlements were still unresolved. This situation was also prevalent when the FLA conducted the SCI assessment in October 2014. Consequently - after the payments were settled - s.Oliver finally inactivated this supplier. s.Oliver worked with the FLA to find out if any other FLA brands are sourcing from this supplier to take over remediation. We received information from the FLA that no other FLA brand are currently sourcing from this supplier. Due to this fact, we were unable to pursue remediation with this supplier.

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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.

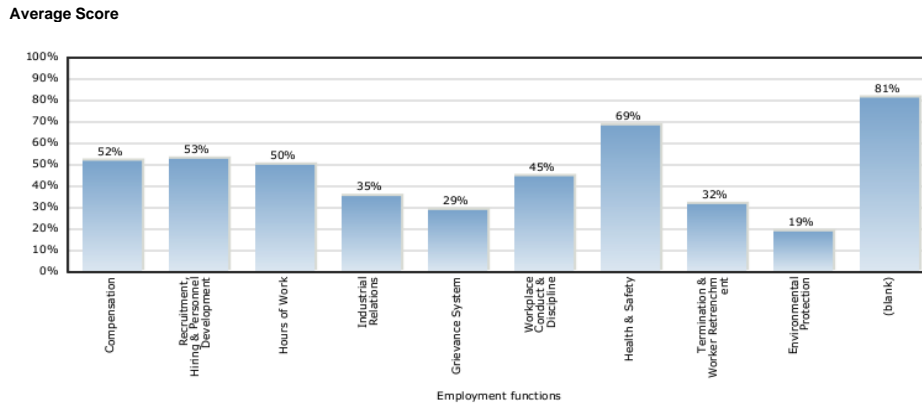
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that 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

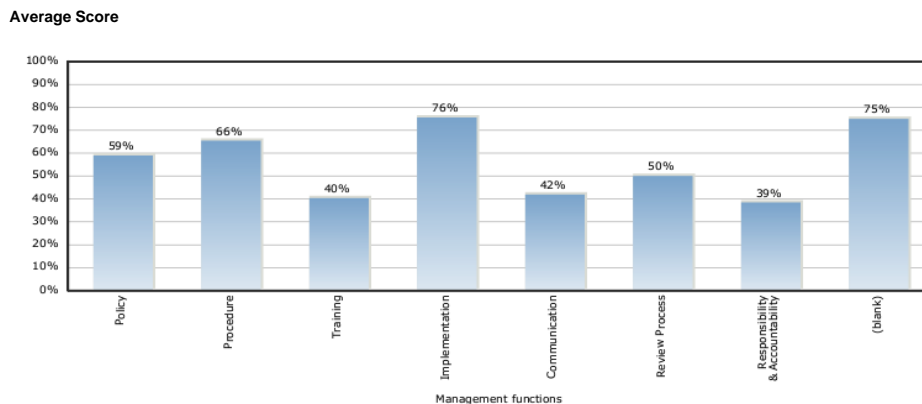
Score by Employment Function

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 | 53.4% | 50% | 50% | 50% | 25% | 50% | 37.5% | 66.67% | 0% |
| Procedure | 46.7% | 66.67% | 80% | 100% | 40% | 70% | 62.5% | 74.24% | 40% |
| Responsibility & Accountability | 47.57% | 26.6% | 47.57% | 11% | 26.6% | 26.6% | 26.6% | 11% | 11% |
| Review Process | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 66.67% | 33.33% |
| Training | 38.46% | 0% | 0% | 0% | 0% | 0% | 0% | 73.13% | 12.5% |
| Implementation | 76.59% | 81.37% | 81.71% | 66.67% | 77.78% | 80% | 80% | 78.53% | 38.18% |
| Communication | 33.33% | 62.5% | 25% | 0% | 25% | 58.33% | 16.67% | 66.67% | 0% |

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 | 6 | Pay Statement Compensation Receipt Record Maintenance Workers Awareness and Understanding of Compensation Training and Probation Wage Accurate Calculation, Recording, and Payment of Wages |
| Employment Relationship | 14 | General/Human Resource Management Systems Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training General/Documentation and Inspection Administration of Fringe Benefits/Holidays, Leave, Legal Social Benefits and Bonuses Industrial Relations Work Rules and Discipline Skills Development/Management of Performance Reviews Recruitment and Hiring/Employment Decisions Skills Development/Promotion, Demotion and Job Reassignment Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures Recruitment and Hiring/Proof of Age Documentation Freedom of Movement/Workers Ability to Terminate Personal Workers Identification and Other Documents |
| Forced Labor | 2 | Employer Interference Employer Interference/Constitution, Elections, Administration, Activities and Programs Employer Interference/Registration Employer Interference/Favoritism Employer Interference/Police and Military Forces Right to Collective Bargaining/Good Faith Right to Freely Associate |
| Freedom of Association and Collective Bargaining | 7 | General Compliance Harassment or Abuse Discipline/Psychological Abuse |
| Harassment and Abuse | 2 | General Compliance Hours of Work Annual Leave Annual Leave/Wage Payments |
| Hours of Work | 3 | General Compliance Health, Safety, and Environment Material Safety Data Sheets/Workers Access and Awareness Machinery Safety, Maintenance and Workers Training Ergonomics Document Maintenance/Workers Accessibility and Awareness Food Preparation Dormitory Facilities Childcare Facilities/Children on Premises Notification and Record Maintenance Permits and Certificates Safety Equipment and First Aid Training Personal Protective Equipment Chemical Management and Training |
| Health, Safety and Environment | 13 | General Compliance Nondiscrimination Recruitment and Employment Practices/Job Advertisements, Job Descriptions and Evaluation Policies |
| Non-Discrimination | 2 | |

Findings and Action Plans

FINDING NO.1

RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There is gender discrimination in recruitment. The recruitment advertisement requires that human resources staff be female. Also, based on worker and production supervisor interviews, quality control workers are required to be female. This is consistent with the observed employment situation.
2. The number of disabled workers (0.2% of total workforce) is below the local legal requirement (1.5% of total workforce). Furthermore, the factory does not contribute to the Employment Security Fund in lieu of employing disabled workers, as

allowed under the local law.

3. There is a lack of accountability in the recruitment process. Production managers have the authority to hire temporary workers when production increases; however, HR staff is not involved or informed during the process. As a result, the factory is missing personnel files, such as proof of age documentation, for these temporary workers. Additionally, the factory lacks procedures regulating the recruitment of temporary workers.
4. The factory has registered a young worker at the local labor bureau, and provided a health examination before employment. However, a second health examination is legally required when a young worker reaches 18 years old; the factory has not conducted this health examination.
5. Probation periods vary from one to six months, based on the different contract periods (maximum of three years). Although Chinese law allows six-month probation period, this exceeds the 3-month maximum allowed by FLA.

Local Law or Code Requirement

Regulation on the Employment of the Disabled in Guangdong (1995), Article 4; Regulations for Protection Minor Workers (1994), Article 6; FLA Workplace Code (Employment Relationship Benchmarks ER.3.2, ER.4.1, and ER.7.2; Non-discrimination Benchmark ND.2.1; Compensation Benchmark C.3)

Recommendations for Immediate Action

1. Remove gender requirements on recruitment advertisements to ensure that all employment decisions will be made solely on the basis of workers' ability.
2. Maintain the temporary workers' personnel files (e.g. proof of age documentation), and ensure written policies and procedures regulating the recruitment and hiring of temporary workers are in place.
3. Provide a new health examination for the young worker who has reached 18 years old.

FINDING NO.2

RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not have policies and procedures on personnel development.
2. The existing performance review process is only related to production bonus; it neither relates to workers' skills or personal development, nor demonstrates linkages to job grading.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.29.1 and ER.30.1)

FINDING NO.3

COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Not all workers are covered by all four types of social insurance legally mandated in Guangdong province:
 - a) There are four types of legally required social insurance that should be paid by the factory: medical insurance (locally, this also includes childbirth medical expenses), work-injury insurance, pension, and unemployment insurance. The factory has paid medical insurance and work-injury insurance for 445 employees out of a total workforce of 455 workers. This discrepancy is due to the fact that 10 employees have recently begun working for the factory. Also, the factory has only paid pension and unemployment insurance for 223 workers, this accounts for about 50% of the total workforce.
 - b) The basis for work-injury insurance, pension, and unemployment insurance should be the insured worker's actual earnings. Although their actual earnings are higher, 20% of the employees have been covered based on the minimum contribution standard.
 - c) The employees do not retain possession or control of their own social security cards. All of the cards have been archived by the factory. This increases the risk of forced labor.
2. The factory does not contribute to the Housing Provident Fund for the employees

3. In the employee handbook, it states that an employee who has worked in the factory for more than one year is entitled to annual leave; however, previous working years (in former jobs) are to be taken into consideration as well, as per law.
4. The factory does not maintain payment records pertaining to temporary workers; therefore, it is uncertain whether the temporary workers have received their full wage. Temporary workers are hired on an “as needed” basis, and are paid in cash.

Local Law or Code Requirement

Social Insurance Law of PRC (2010), Article 4 and Article 44; Rules for the Implementation of Pension of Guangdong Province (2000), Article 5; Regulations on Unemployment Insurance of Guangdong Province (2013), Article 8; Regulations on Work-injury Insurance of Dongguan City (2004), Article 10; Regulation on Dongguan City Housing Provident Fund Deposit Management (2013), Articles 3, 10 & 12; Implementation Measures of Employees' Paid Annual Leave (2008), Articles 4; FLA Workplace Code (Employment Relationship Benchmarks ER.2.1 and ER.22; Hours of Work HOW.11; Forced Labor Benchmark F.9.1; Compensation Benchmark C.5, C.13, C.14, C.15 and C.17.1.3)

Recommendations for Immediate Action

1. Return social security cards to employees, and ensure the factory does not retain possession or control of workers' social security cards in the future.
2. Maintain payment records for temporary workers.
3. Ensure that social insurance that is in line with legal requirements is provided for workers.

FINDING NO.4

HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Attendance records for temporary workers have not been maintained by the factory; so it is uncertain how many hours the temporary workers have worked, and whether they are meeting legal requirements and FLA workplace standards. (Note: 3 temporary workers were observed at the time of assessment.)

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2.1; Hours of Work Benchmark HOW.1)

Root Causes

1. Record working time for all temporary workers, and maintain time records on-site.

FINDING NO.5

TERMINATION AND RETRENCHMENT

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Compensation for days of annual leave not taken is not paid to the worker at termination of employment.
2. There are no written policies and procedures regarding Retrenchment.

Local Law or Code Requirement

Implementation Measures of Employees' Paid Annual Leave (2008), Article 12; FLA Workplace Code (Employment Relationship Benchmark ER.32.1; Compensation Benchmark C.5)

Recommendations for Immediate Action

1. Ensure that compensation for days of annual leave not yet taken is paid to workers at termination of employment.

FINDING NO.6

WORKPLACE CONDUCT AND DISCIPLINE

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Factory has the practice of posting sanctioned worker's name on the notice board for around 2-3 days. Workers are sanctioned when they violate factory rules, such as exchanging the beds in the dormitory without notifying management, littering, etc.
2. Although, in practice, the disciplinary system includes a third party witness and senior management review, there are no corresponding written procedures.
3. Records of disciplinary action have not been kept in the workers' personnel files.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27.1 and ER.27.3.4; Harassment or Abuse Benchmark H/A.6)

Recommendations for Immediate Action

1. Cease the practice of posting the names of employees subjected to disciplinary action.

FINDING NO.7

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The suggestion box is the only method provided for workers to submit grievances; however, this does not allow for a direct settlement of grievances by workers and immediate supervisors, or for senior management to review the grievance when this system fails.
2. There is no training on grievance procedures provided to workers; as a result, most of workers do not know the factory's steps/processes for the handling of grievances.
3. The grievance system does not function well. As per the grievance policy, the administration department should open the suggestion boxes (placed on each floor) twice per week. Based on observation, the locks for most of the suggestion boxes are full of lint and rust, indicating they are opened infrequently. According to the management, workers do not frequently use the suggestion box, so the suggestion boxes are not opened with the frequency stipulated in the policy. Additionally, no records of grievances or follow-ups were maintained.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25.2, ER.25.3.1, and ER.25.3.2)

FINDING NO.8

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There is a trade union, which is affiliated with the All China Federation of Trade Unions (ACFTU) at the factory. There are neither records on file that indicate that any election has been held, nor any written operational procedures that pertain to such elections. Additionally, the union chairman and 90% of the union committee members are in management positions. None of the interviewed employees were aware of the existence of the trade union or elections.
2. The factory has another worker representative body, which consists of 5 worker representatives; however, the interviewed workers were not aware of any elections or the identities and mandate of the worker representatives.
3. The collective bargaining agreement (CBA) was not freely negotiated by the management and union representatives. Based

on the bargaining logs, the union chairman negotiated on behalf of management, with the vice-chairman of the union representing the workforce. In addition, the employees were neither provided with a copy of the CBA, nor made aware of the existence of the CBA.

4. **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 non-negotiated administrative agreements.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16.2 and ER.25.2; Freedom of Association Benchmarks FOA.2, FOA.10, FOA.11, FOA.12, and FOA. 16)

FINDING NO.9

ENVIRONMENTAL PROTECTION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not have environmental policies or procedures; especially regarding workers' rights and duties, responsibilities of designated personnel, enabling workers to raise and report environmental concerns/issues, and protection for workers raising concerns.
2. The factory has not reported their atmospheric pollutants discharge from two diesel boilers to the local environmental protection bureau. Consequently, the local environmental protection bureau has neither monitored the quality of air emissions nor issued an air emissions permit.
3. There is no dedicated hazardous waste storage area; as a result waste chemical containers are stored without a weatherproof facility. This creates a risk of soil contamination.
4. Hazardous waste (waste chemical containers, toner cartridges, waste fluorescent lamps, oily rags, etc.) is not disposed of by an authorized facility. There is no official disposal record for this waste.

Local Law or Code Requirement

Prevention and Control Law of Atmospheric Pollution 2000, Article 12 and 36; Law on Prevention and Control of Environmental Pollution by Solid Wastes (2004), Articles 17 and 57; FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.31.1, and ER.31.2; Health, Safety & Environment Benchmark HSE.4)

Recommendations for Immediate Action

1. Report air emissions to the local environmental authority and conduct tests for air emissions quality. If the factory is not meeting the legal limits, it should establish a cleaning/filter facility.
2. Ensure that all hazardous waste (sludge, waste chemical containers, etc.) is disposed of by an authorized handler, and maintain the disposal records/receipts on-site.
3. Establish a dedicated hazardous waste storage area, in line with legal requirements.

FINDING NO.10

HEALTH AND SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There is no annual inspection of the fire fighting equipment conducted by an authorized institution. Currently, internal staff

- conducts the inspection.
2. At least 20% of the sewing and interlocking machines do not have needle guards.

Local Law or Code Requirement

PRC Fire Protection Law (1998), Amendment (2009), Article 16; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.14.1)

Root Causes

1. Ensure that all of the sewing and interlocking machines are equipped with needle guards.
2. Ensure that fire fighting equipment is inspected by an authorized third-party.

FINDING NO.11

HEALTH AND SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not monitor some chemicals handled by the service department; electricians perform some maintenance and carpentry jobs. Furthermore, these workers were not provided with Personal Protective Equipment (PPEs).
2. There are no Material Safety Data Sheets (MSDS) available for some chemicals (e.g. "Shuang Qiang" glues, F-True 9000, diluent 414, etc.).
3. The MSDS for the decontaminant is not up to date; it only contains 10 sections while there should be 16, per legal requirements. Additionally, there is no second container for the decontaminant in case of leaking.

Local Law or Code Requirement

Safety Data Sheet for Chemical Products – Content and Order of sections, GB16483 – 2008; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.2, HSE.9, and HSE.10)

Recommendations for Immediate Action

1. Maintain a complete list of chemicals and obtain the corresponding MSDS, in line with legal requirements.
2. Provide workers with suitable PPE as instructed by the applicable MSDS.

FINDING NO.12

HEALTH AND SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

The factory has not implemented an effective occupational health management system:

1. The factory has not arranged for occupational hazards testing, which it is legally required to execute annually. As a result, there are high noise levels at some workstations due to the use of air compressor guns and continuous bar tacks. The assessor recorded a level between 90-100db(A) at these stations. Some workers were not provided with PPE, such as earplugs, and some were not wearing the provided PPE.
2. Workers are not given occupational health checks to check for hearing loss.
3. Currently, the factory only provides on-job occupational health examinations to workers using chemicals for decontamination once per year. This practice does not comply with the legal regulation that employees working with occupational hazards should be provided with pre-job, on-the-job, and pre-departure occupational health examinations at the employer's cost.

Local Law or Code Requirement

Provisions on the Supervision and Administration of Occupational Health at Work Sites, 2012, Articles 16 and 20; Law of Prevention and Control of Occupational Diseases, Article 3; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.7)

Recommendations for Immediate Action

1. Provide the workers using air compressor guns and operating bar tacks with PPE (earplugs).
2. Provide the workers with legally required health examinations.

FINDING NO.13

HEALTH AND SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. A 2-year-old child was brought by an adult, who was a babysitter hired by the parent/supervisor, into the production area to visit the parents.
2. The factory does not keep food samples and there were rats in the kitchen.
3. Although the factory does not permit workers to cook in the dormitory; in practice many workers cook breakfast and supper in the dormitory, which poses a fire risk.

Local Law or Code Requirement

Standard for Fire Safety Management of Assembly Occupancies GA654-2006, Article 8.8.5; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.22, HSE.25.1, HSE.27.2, and HSE.27.3)

Recommendations for Immediate Action

1. Ensure that no children enter the production area, and provide training for security guards.
2. Ensure the canteen and kitchen areas are sanitary and free from rats.
3. Keep food samples for 48 hours, per the legal requirement.
4. Introduce a mechanism to ensure workers do not cook in the dormitory.

FINDING NO.14

HEALTH AND SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. 90% of the chairs provided to workers are not equipped with backrests to minimize bodily strains.
2. Workers who lift goods are not trained on proper lifting techniques; this increases the risks of bodily strain.
3. The factory had no system to track all work-related injuries, accident/incident records (e.g., minor and near-miss cases), or illness records. For example, workers are not required to fill in their reason for needing medical supplies when they take them from first aid boxes.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.3.2 and HSE.17)

FINDING NO.15

TRAINING

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There is no orientation training on the factory's policies/procedures for industrial relations & freedom of association, grievance, and environmental protection.
2. There is on-going training on Health & Safety for workforce, but not for any other employment functions.
3. There is no supervisor training on the policies/procedures for any of the Employment Functions, or on national law and the

FLA affiliate's Code of Conduct.

- Workers are not provided with written documentation that substantiates all of the issues covered in the orientation briefings.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.2, ER.15.3, ER.16.1, and ER.17.1)

FINDING NO.16

REVIEW

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

- The factory does not conduct periodic reviews of its policies and procedures. Most of factory's rules were written in 2008 and 2009, but there have been no reviews or revisions since.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.30.2, and ER.31.1)

FINDING NO.17

COMMUNICATION AND WORKER INTEGRATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

- For most of the Employment Functions (Recruitment, Hiring & Personnel Development, Hours of Work, Compensation, Workplace Conduct & Discipline, Grievance, Termination, Industrial Relations & FOA and Environmental Protection) the factory does not communicate its policies and procedures to the general workforce on an ongoing basis. There is an induction process during which all new hires are informed about some of the factory's rules and practices, but there is no planned follow-up to communicate updates. As a result, workers have a very limited understanding of the factory's rules.
- 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. Furthermore, workers are neither systematically integrated, nor consulted in the decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.16.1, and ER.25.2)