

**ALGI - FLA Type Audit Tracking Chart / Corrective Action Plan**

TOR :	11832
Client:	World Centric
Facility Name	Cutlery
City, Country	China
Date:	6/26/2012
Auditors:	one auditor for one day

FLA Code/Benchmark	Compliance Status	Describe noncompliance and Recommendation of corrective action	List sources (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference	Facility Response
<b>1. Code Awareness</b>	In compliance	0			
<b>2. Employment Relationship</b>	In compliance	0			
<b>3. Forced Labor</b>	In compliance	0			
<b>4. Child Labor</b>	In compliance	0			
<b>5. Harassment or Abuse</b>	In compliance	0			
<b>6. Non-Discrimination</b>	In compliance	0			
<b>7. Health, Safety and Environment</b>	Non compliance	4			
H&S.4 Permits and Certificates	Non compliance	1. No annual inspection record for one forklift is maintained by the factory. The factory is recommended to apply for annual inspection for forklift and keep relative records. 2. No Environmental Impact Report is maintained by the factory. The factory is recommended to apply for Environmental Impact Report.	Factory walkthrough/Management interview/Document review	Special Appliance Quality Safety Monitoring Regulation article 28, the operating unit with special appliances should follow the requirements of Quality Technical Monitoring Administration Department, to apply for regularly inspection at the Special Appliance inspection unit one month before the expiry date of the safety inspection approval. After the application, the Special Appliance inspection unit shall follow the requirements of the Quality Technical Monitoring Administration Department to carry out the inspection on time. The Special Appliance shall not be used when it has not undergone regularly inspection or if it failed the inspection.  In accordance with the PRC Environmental Impact Assessment Law Article 16, the state conducts systematic management over the environmental impact assessment of construction projects in accordance with the degree of impact on the environment. Construction units shall compile Environmental Impact Report, Environmental Impact Report Form or fill out Environmental Impact Registration Form (hereinafter referred to as Environmental Impact Assessment Documents) under the following rules:	1. The factory stated that they would solve this problem since July 2012. 2. The factory stated that they would consult the local environmental bureau firstly and then make improvement.
H&S.6 Safety Equipment and First Aid Training	Non compliance	No qualified first aid personnel is employed by the factory. The factory is recommended to train some employees to be qualified first aid persons.	Management interview/Worker interview/Document review	Client standard	The factory stated that they would solve this problem since July 2012.
H&S.17 Ergonomics	Non compliance	Factory does not establish ergonomic programs: providing ergonomic chairs to workers with sitting jobs, floor mats to workers with standing jobs or training on healthier practices such as positions, movements, etc. The factory is recommended to establish ergonomic programs.	Factory walkthrough/Management interview/Worker interview/Document review	Client standard	The factory stated that they would solve this problem since July 2012.
<b>7. Freedom of Association and Collective Bargaining</b>	In compliance	0			
<b>8. Hours of Work</b>	Non compliance	2			
HOW.1 General Compliance Hours of Work	Non compliance	The factory used manual attendance sheets to record employees' working hours since July 1, 2011; however, the manual attendance sheets were missing specific time-in and time-out as well as employees' signatures for confirmation. Therefore, working hour information could not be accurately assessed during the current assessment. The factory is recommended to record employees' working hours with specific time-in and time-out and with employees' signatures for	Document review/Management interview/Worker interview	Client standard	The factory stated that they would solve this problem since July 1, 2012.

HOW.7 Overtime/Calculation over Period Longer than One Week	Non compliance	The factory used manual attendance sheets to record employees' working hours since July 1, 2011; however, the manual attendance sheets were missing specific time-in and time-out as well as employees' signatures for confirmation. Therefore, working hour information could not be accurately assessed during the current assessment. The factory is recommended to record employees' working hours with specific time-in and time-out and with employees' signatures for	Document review/Management interview/Worker interview	Reply to the Questions on Working Hours, Art.5: Providing that the system of comprehensively calculated working hours is executed, in the period of comprehensively calculated working hours, the actual working hours could exceed 8 hours (or 40 hours) on a specific day (or week). But the total actual working hours shall be no more than total normal working hours regulated by law. The excess part shall be regarded as overtime and paid according to Art.44.1 of PRC Labor Law. If the employee is asked to work on legal holidays, the overtime payment should be paid as regulated by Art.44.3 of PRC Labor Law. Besides, the average hours of overtime each month shall be no more than 36 hours. Art. 41 of PRC Labor Law (Chapter 4 Working Hours,	The factory stated that they would solve this problem since July 1, 2012.
<b>9. Compensation</b>	Non compliance	4			
C.2 Minimum Wage	Non compliance	The factory used manual attendance sheets to record employees' working hours since July 1, 2011; however, the manual attendance sheets were missing specific time-in and time-out as well as employees' signatures for confirmation. Therefore, wage information could not be accurately assessed during the current assessment. The factory is recommended to record employees' working hours with specific time-in and time-out and with employees' signatures for	Document review/Management interview/Worker interview	Art. 48 of PRC Labor Law (Chapter 5 Wages and Salaries): Employer shall pay workers wages no lower than government established minimum. Article 12 of Regulation for Minimum Wage: Providing that an employee had worked normally, the payment he could get should be no less than minimum wage except for the following items: a) overtime payment; b) special allowance for middle shift, night shift, working under high temperature, low temperature, mine or toxic environment; c) other benefit regulated by law and regulations. Article 14 of Regulation on the Implementation of the Employment	The factory stated that they would solve this problem since July 1, 2012.
C.5 Accurate Calculation, Recording, and Payment of Wage	Non compliance	The factory used manual attendance sheets to record employees' working hours since July 1, 2011; however, the manual attendance sheets were missing specific time-in and time-out as well as employees' signatures for confirmation. Therefore, wage information could not be accurately assessed during the current assessment. The factory is recommended to record employees' working hours with specific time-in and time-out and with employees' signatures for	Document review/Management interview/Worker interview	PRC Labor Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labor shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child-bearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.	The factory stated that they would solve this problem since July 1, 2012.
C.7 Calculation Basis for Overtime Payments Employers shall compensate workers for all hours worked.	Non compliance	The factory used manual attendance sheets to record employees' working hours since July 1, 2011; however, the manual attendance sheets were missing specific time-in and time-out as well as employees' signatures for confirmation. Therefore, wage information could not be accurately assessed during the current assessment. The factory is recommended to record employees' working hours with specific time-in and time-out and with employees' signatures for	Document review/Management interview/Worker interview	PRC Labor Law article 44 The employing unit shall, according to the following standards, pay labourers remuneration higher than those for normal working hours under any of the following circumstances: (1) to pay no less than 150 per cent of the normal wages if the extension of working hours is arranged; (2) to pay no less than 200 per cent of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and (3) to pay no less than 300 per cent of the normal wages if the extended hours are arranged on statutory holidays.	The factory stated that they would solve this problem since July 1, 2012.
C.10 Deposit of Legally Mandated Deductions	Non compliance	The factory currently hired 55 employees, in which only 40 employees had been participated into five-type social insurance i.e. retirement, medical, child-bearing, unemployment and injury. In addition, no social insurance waiver obtained from the local authorized department. The factory is recommended to provide five type social insurance to all employees including retirement, medical, child-bearing, unemployment and injury.	Document review/Management interview	PRC Labor Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labor shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child-bearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.	The factory stated that they would gradually provide social insurance to all employees.
<b>10. Miscellaneous</b>	In compliance	0			