

**Corrective action plan(CAP) - Annex to "Audit Report - June 2009"** – Please compare with the CAP 2008, which you can find here: <http://www.hempage.de/downloads/FWFAudit.pdf>

In the table below the issues that need improvement are summarised, split between requirements and recommendations. Recommendations are written in italics. Also indicated is whether management agreed with the findings of the audit team and what timeframe could be agreed on the corrective action.

Requirements and recommendations -if applicable- include concrete articles in laws, decrees or any other legal texts and contain useful details (for example legal limits to overtime hours, the legally required content of a first aid box, etc.)

	Conclusions	Management's response to findings	Requirements/ Recommendations	Timeframe	Status 24.08.09
Monitoring system of FWF member company 2	The factory has neither received the report and CAP from Hempage.	The factory has neither received the report and CAP from Hempage.	[Req] HempAge to share reports & CAP with factory		actually this must be a misunderstanding. As soon as received the CAP has been forwarded and discussed. You can see that from the answers to the CAP already last year and this year as well
Management system factory to improve labour standards	Codes from other clients are not found posted on the notice boards	Management agreed that the finding is correct.	<i>[Recom] All codes applicable to the factory should be posted.</i>	One month.	June 30,2009 finished.
No forced Labour	No findings.				
No discrimination	No findings.				
No child labour	No findings.				
Freedom of association	The factory has established a workers' representative committee in March 2009 after a request by another brand. However, the committee has not been functioning so far and the representatives are appointed by the management.	Management agreed that the finding is correct. The management and the worker representatives are not very sure how to run the committee.	<i>[Recom] 1. Start calling meetings of workers' representatives. 2. Post minutes of meetings onto the notice boards. 3. Consider holding democratic election of representations. 4. Discuss with HempAge to arrange training of workers' representatives by FWF and its partners in China.</i>	Start meetings and post minutes in July. Discuss election three months later. Needs further discussions about training.	August 22,2009 will be finished.
Living wage	No findings.				
Excessive overtime 1	The factory has not recorded the actual work time of every workers.	Workers sometimes go back to the shop floor to work without informing the management.	[Req] Correctly record the actual work time of all workers.	Immediately	Maybe misunderstanding. The management states that even some workers return to their place early the work only starts when the break is over and all workers in line start together. Please advise if any other finding
Excessive overtime 2	Security guards of the factory has been working more than the legal maximum of 40 hours per week.	Management agreed that the finding is correct.	[Req] Work time of security guards should not exceed the legal maximum of 40 hours per week.	One month.	we had applied the comprehensive overtime of 2009 form the local government. Added by HA: those are on standby but not working all that time
Occupational health & safety 1	Not all workers are covered by the social insurance.	Workers are not willing to join the social insurance.	<i>[Recom] Target to increase every year the number of workers joining social insurance.</i>	Six months.	upto now August, we had increased 5 peoples.
Occupational health & safety 2	Fire drills have not happened in 2009	The factory has planned one already	[Req] Fire drills should be twice a year.	One month.	June 29,2009 finished.
Occupational health & safety 3	Some signs of fire exits are not equipped with light and powered by charged batteries.	Management agreed that the finding is correct.	[Req] signs of fire exits should be equipped with light and be powered by charged batterie	One month.	June 21 , 2009 finished.
Occupational health & safety 4	Three exit doors on the 2 <sup>nd</sup> and 3 <sup>rd</sup> floor should be changed such that it Eis to be pushed open from inside the shop floor.	Management agreed that the finding is correct.	[Req] The exit doors on the 2nd and 3rd floor should be changed such that it is to be pushed open from inside the shop floor.	One month.	July 07,2009 finished.
Employment relationship	Some contracts don't include the date when the contract was signed.	Management agreed that the finding is correct.	[Req] Date should be specified when the contract is signed.	One month.	June 30, 2009 finished.