

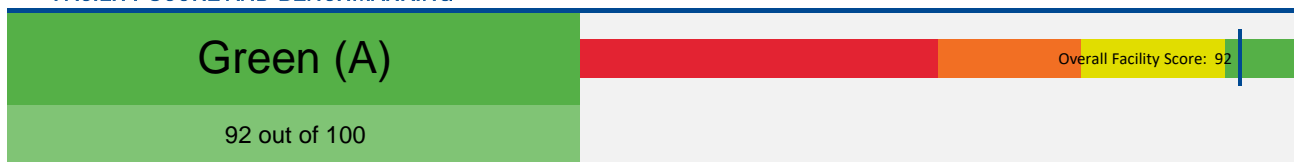
XIAMEN LEANDA GARMENTS CO., LTD.

EVT-CN-MCY-165059

FACILITY INFORMATION

Report #:	EVT-CN-MCY-165059	City:	Xiamen
Assessment Date:	May 25, 2021	Country:	China
Last Assessment:	N/A	Assessors:	Sean Yu
Assessment Type:	Annual	Service Provider:	ELEVATE
Schedule Type:	Semi-Announced		

FACILITY SCORE AND BENCHMARKING



<u>Section</u>	<u>Total Findings</u>	<u>Critical</u>	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>
1. Transparency & Business Integrity	0	0	0	0	0
2. Management System	0	0	0	0	0
3. Hiring, Disciplinary & Termination	0	0	0	0	0
4. Young Worker & Child Labor	0	0	0	0	0
5. Forced Labor and Human Trafficking	0	0	0	0	0
6. Harassment & Abuse	0	0	0	0	0
7. Discrimination	0	0	0	0	0
8. Freedom of Association & Grievance	0	0	0	0	0
9. Foreign Migrant Labor	0	0	0	0	0
10. Wages & Benefits	0	0	0	0	0
11. Hours of Work	0	0	0	0	0
12. Health & Safety	4	0	1	3	0
13. Environment	0	0	0	0	0
14. Subcontracting	0	0	0	0	0
15. Homework	0	0	0	0	0

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The Report shall be read as a whole and sections should not be read or relied upon out of context. All recommendations, where given, are for the

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CRITICAL / MAJOR FINDINGS

Major: It was noted that no fire sprinkler system was installed at 1 block of 5-storey production building (the factory used 3-4F and total occupied 4863m², workshop for garments, built in 2017).

BEST PRACTICES

No Best Practices Identified

GENERAL AUDIT OVERVIEW

This semi-announced annual assessment started at 9:00am on May 25, 2021 and ended at 4:00pm on the same day. One ELEVATE field staff (male) was assigned to verify the overall compliance status of the factory against the ELEVATE Responsible Sourcing Standards, Macy's Code of Conduct, as well as applicable local laws. Audit approaches include onsite confidential interviews with workers, document/record review, physical observations and management interviews. Conclusions are drawn based on a limited, yet thorough sampling and collaborated from different information sources. The facility management Ms. Liu Fang / General Manager and other management participated in the opening meeting, and they are cooperative to auditors throughout audit processes. The requested documents and records were provided in a timely manner. All major findings are communicated with the facility management (Ms. Liu Fang and other management) during closing meeting. They agree with the findings and promised to make improvements accordingly.

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Reference	Findings	
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12. Health & Safety

12.3 Emergency Preparedness

12.3.13	<p>Detailed Findings</p> <p>It was noted that no fire sprinkler system was installed at 1 block of 5-storey production building (the factory used 3-4F and total occupied 4863m2, workshop for garments, built in 2017).</p> <p>Legal Requirements</p> <p>In accordance with Code for Fire Protection Design of Buildings 8.3.1, automatic fire fighting system shall be installed in the following factory buildings and places, and automatic water sprinkler system should be used, except there are other requirements in this code or the places that should not use water protection or fire extinguishing:</p> <ol style="list-style-type: none"> 1. The package unwrapping and cotton processing workshop of cotton spinning factory with more than 50,000 spindles; the rating and hemp processing workshop of hemp spinning factory; 2. Single or multi-story factories such as shoe making, clothes making, toy making and electron factory with occupied building area more than 15,00m2 or total building area more than 3,000m2; 3. Carpentry factory with occupied building area more than 15,00m2; 4. The preparing, moulding, slicing, empathic parts of foam factory; 5. Class B, C, D high-rise factory; 6. Class C underground factory with building area more than 500m2. <p>Recommendations</p> <p>It is recommended that the factory should install automatic fire sprinkler system to those buildings according to the requirement of standard.</p>	Major
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12.4 Chemical & Hazardous Substances

12.4.04	<p>Detailed Findings</p> <p>It was noted that machine oil was used in sewing section without Material Safety Data Sheet (MSDS).</p> <p>Legal Requirements</p> <p>In accordance with Regulation For Chemical Usage Safety in Work Place clause 27, staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by dangerous chemicals in the working process. (3) Training upon safety techniques, including training with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations.</p> <p>Recommendations</p> <p>It is recommended that the factory should provide proper chemical safety training to workers, conduct regular chemical safety inspection, carefully review all handling, storage and disposal procedures of hazardous chemicals and display the related Material Safety Data Sheet (MSDS) are written in the local language are available for all workers in the working areas.</p>	Moderate
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12.4.05	<p>Detailed Findings</p> <p>It was noted that there was no label attached on the chemical used in this factory such as machine oil used in sewing section.</p> <p>Legal Requirements</p> <p>In accordance with Regulation For Chemical Usage Safety in Workplace, article 12, the chemicals used by the unit should be labeled, dangerous chemicals should have safety labels, the unit should provide safety data sheet to operator.</p> <p>Article 14, (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.</p> <p>Recommendations</p> <p>It is recommended that the factory shall ensure that all chemical containers in the working area are properly labeled with safety precautions. Further the Management should provide proper chemical safety training to workers and conduct regular chemical safety inspection.</p>	Moderate
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12.7 First Aid / Medical

12.7.02	<p>Detailed Findings</p> <p>It was noted that insufficient items were equipped in first aid kits in the factory, such as missing scissors.</p> <p>Legal Requirements</p>	Moderate
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Reference

Findings

In accordance with Standards for the Design of Industrial Enterprises (GBZ1-2010) 8.3, In workplaces or workshops where chemical burns or acute poisoning resulting from mucous absorption may occur, emergency response facilities should be established nearby based on the potential or existing occupational hazardous factors and characteristics. Emergency response facilities should include shower and eye wash devices with continuous water supply, gas protection cabinet, personal protective equipment, first-aid kit and medicine, stretcher and devices for transfer of patients, first aid equipment and communications equipment for emergency rescue. Standards for the Design of Industrial Enterprises 8.3.3, first-aid kits should be prepared based on the actual needs in accordance with Appendix A Form A.4, be checked and updated regularly and easily accessible by workers.

Recommendations

It is recommended that the facility should conduct regular Health & Safety inspection, provide the first-aid kits for related production area, ensure that the kits are sufficiently equipped and are easily accessible to workers.

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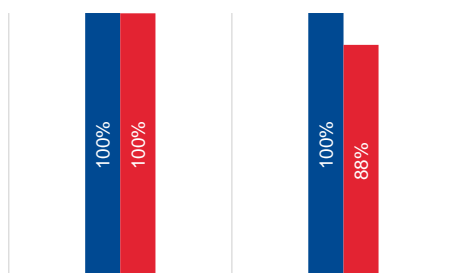
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WAGES OVERVIEW

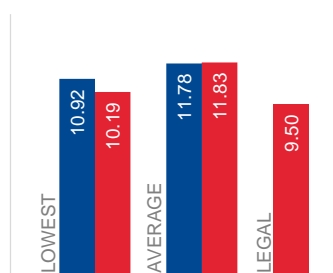
KPI	Facility Data	Country Average China (Fujian)	% Difference
Monthly worker turnover (% avg)	3.00%	2.89%	4%
Monthly take-home (average)	2,934	4,354	-33%
Monthly take-home (lowest)	2,787	3,215	-13%
Paid correctly (%)	100%	88%	14%
Paid above hourly (%)	100%	100%	0%
Hourly wage (average)	11.78	11.83	0%
Hourly wage (legal)	10.34	9.50	9%
Hourly wage (lowest)	10.92	10.19	7%

Key: ■ Good Performance
■ Underperforming

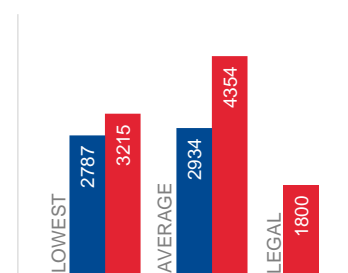
PAYMENT



HOURLY WAGES



MONTHLY WAGES



Facility

Country Average

Wages Data

Wage System:	Hourly Rate
Wage Payment Schedule:	Monthly
Payroll Records Reviewed Period:	May 2020 to April 2021

Sampling Period

Record	Current Month	Peak Month	Non-Peak Month
Payroll Records Sampling	Apr-21	Jan-21	Aug-20
Numbers of Samples Reviewed	5	5	5

PRODUCTION INFORMATION

Main Production Processes: Cutting, Sewing, Pressing, Inspection and Packing

Main Machine Types: Sewing machines, etc.

Average units produced per week:	37500 Pieces
Units produced in last 3 months:	450000 Pieces
Units projection for next 3 months:	500000 Pieces

Peak Season: Not obvious

Main Product Type:	Apparel
Total Number of Machines:	116

Low Season: Not obvious

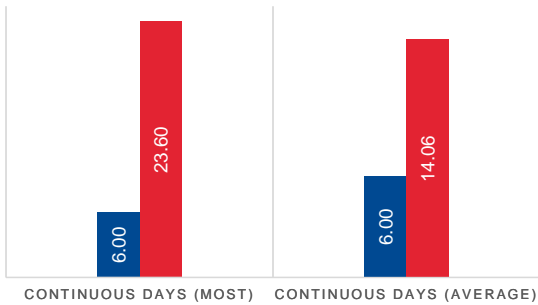
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WORKING HOURS OVERVIEW

KPI	Facility Data	Country Average China (Fujian)	% Difference
Continuous days (most)	6.00	23.60	-75%
Continuous days (average)	6.00	14.06	-57%
Weekly hours (highest)	50.50	72.70	-31%
Weekly hours (average)	47.00	65.02	-28%
Daily hours (highest)	10.00	11.39	-12%

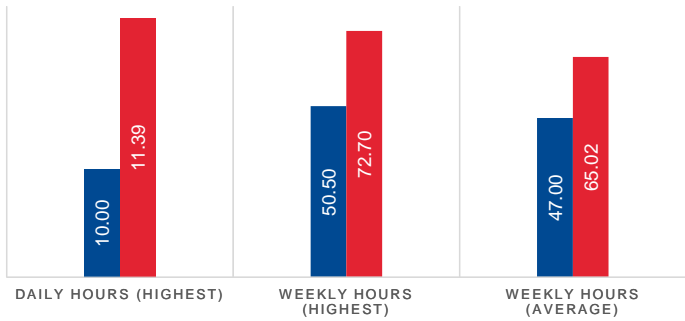
Key: Good Performance
Underperforming

WORKING DAYS



Facility

WORKING HOURS



Country Average

Working Hours Data

Time Recording System:	Electronic
Overtime Waiver:	No
Shifts and Operating Hours:	1 shift, 8:00-12:00, 13:30-17:30

Sampling Period

Record	Current Month	Peak Month	Non-Peak Month
Time Records Sampling	Apr-21	Jan-21	Aug-20
Numbers of Samples Reviewed	5	5	5

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FACILITY PROFILE

<p>Facility Name (English): Xiamen Leanda Garments Co., Ltd.</p> <hr/> <p>Facility Address (English): Room 304, No. 19, Kengping Road, Guankou Town, Jimei District, Xiamen City, Fujian Province</p> <hr/> <p>Primary Contact Name: Ms. Liu Fang</p> <p>Title: General Manager Assistant</p> <p>Email: 974051959@qq.com</p> <p>Phone: 86-13159236334</p> <hr/> <p>Social Compliance Contact: Ms. Liu Fang</p> <hr/> <p>Average # of Assessments in a Year: 1</p> <hr/> <p>Last 3rd Party Assessment: Not provided</p>	<p>Facility Legal Name: 厦门市益安达服饰有限公司</p> <hr/> <p>Facility Legal Address: 厦门市集美区灌口镇坑坪路19号 厂房304单元</p> <hr/> <p>Location Type: Industrial Park</p> <hr/> <p>Year Facility Began Operations: 2008</p> <hr/> <p># of Buildings/Approx. Area (m2): 3-4/F of 5-storey production building / 2632m2</p> <hr/> <p>Dormitories: No</p> <p>Multiple Tenants: Yes</p> <p>Facility Owned: No</p>
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BUSINESS INFORMATION

Brand(s) for client: EPIC THREADS

Customer Breakdown:

<i>Primary Customers</i>	<i>% of business</i>
Macy's	70%
Other	30%

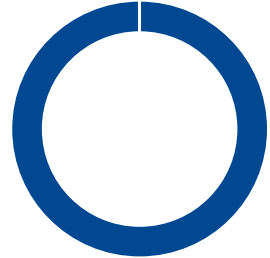


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EMPLOYEE INFORMATION

Total Number of Employees:	64	<u>Worker Breakdown</u>	<u># of Workers</u>
Production Workers:	55	China	55
Management Staffs (Non-Prod):	9		
Male:	12		
Female:	52		
Local:	22		
# of Domestic Migrant Workers:	33		
# of Foreign Migrant Workers:	0		



Languages Spoken:

Management:	Chinese
Employees:	Chinese

Worker Age Data:

# of personnel files reviewed:	10
Minimum legal work age:	16
Youngest worker found:	19
# of Juvenile workers:	0

FREEDOM OF ASSOCIATION

Is there union in facility?	No
If 'Yes', name of union:	N/A
Name(s) of union Rep:	N/A
Is there a CBA in place?	No
If 'Yes', CBA valid period:	N/A
Is there a worker committee of any kind?	Yes
If 'Yes', indicate the details:	EHS committee

SUBCONTRACTOR INFORMATION

Does the Facility employ subcontractors for any part of the production process? Yes

Subcontractor Name (Service Provided)

Xiamen Xinhong Industrial Co., Ltd. (Embroidery and Printing)

CURRENT CERTIFICATIONS/PROGRAMS

<u>Certification / Program</u>	<u>Status</u>	<u>Expiry Date (Month Day, Year)</u>
BSCI		
ICTI		
EICC (RBA)		
WRAP		
SA8000		
SMETA		
BAP		
Better Work		
ISO14001		
OHSAS18001		