

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**18 Nov 2021**



## Factory Information

FLA Affiliates	Panini America, Inc.
Country	United States of America
Number of Workers	

## Understanding this Report

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.

## FLA Code Element

## Number of Violations

Employment Relationship (ER)	8
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	1

## Assessment Information

Assessor	Rodriguez Compliance Group
Assessment Date	18 Nov 2021
Assessment Purpose	Factory Assessment (Virtual Compliance Check)



## ASSESSMENT RESULTS

### Employment Relationship (ER)

Benchmark ID	ER.14.1
Benchmark Details	Employers shall use standard contract language with employment agencies or intermediaries that specifically imparts power to employers to directly pay wages to migrant/ contract/ contingent/ temporary workers and ensures equality of compensation and workplace standards as set under the FLA Workplace Code and national laws and regulations.
Finding Details	Refer to ER.11.1. The Site management does not conduct periodic review of temporary labor agency payment of compensation to verify accuracy.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.11.2
Benchmark Details	Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. for migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;

Finding Details	The Site does not have an employment agreement with temporary labor workers, due to the relationship with the labor agency. However, the Site did not provide evidence of monitoring activities to ensure and validate that the labor agency properly and legally meet the wage and compensation requirements for the temporary workers assigned or placed at the Site.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	NA
Benchmark ID	ER.11.5
Benchmark Details	Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: personnel files and all relevant employment information for contract/contingent/temporary workers are maintained and accessible at the workplace site, at all times.
Finding Details	Refer to ER.11.5. The personnel files for temporary labor is kept by the labor agency not the site therefore could not be verified.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.2

Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	Refer to ER.11.1. The personnel files for temporary labor is kept by the labor agency not the Site therefore could not be verified.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	The facility does not provide an anonymous grievance mechanism. The company will need to develop and communicate grievance mechanism which will afford the employee the ability to report a grievance in an anonymous manner without fear of retaliation. The company will need to establish procedures such as receiving, tracking, and reporting out the resolution of grievance reported in good faith. Additionally, the company will need to provide training to all level of employees on the anonymous grievance mechanism.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	NA
Benchmark ID	ER.12
Benchmark Details	For any contract/contingent/temporary worker who becomes a permanent employee, seniority and other fringe benefits eligibility must be dated from the first date as a contract/contingent/temporary worker and not from the first day of permanent employment.
Finding Details	Employees who are converted from the temporary labor agency are not provided seniority and benefits calculated from the initial day of work as a temp. In the sample of 5 workers selected for interviews and document review, one female worker who was converted from the temporary labor agency in Aug 2021 was not recognized for their work service from the initial day at the labor agency, which was April 2021.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	NA
Benchmark ID	ER.18.4
Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The current progressive discipline procedures lack the appeal process and the third party witness (selected by the worker). The progressive steps are listed in the current employee handbook (revision date 2014), and are included the disciplinary action form used to record the disciplinary action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	NA
Benchmark ID	ER.17.2
Benchmark Details	There shall be a mechanism that allows workers to report harassment and grievances confidentially, including any concerns or problems they may be experiencing around legally owed payments during a retrenchment process.
Finding Details	Refer to ER.17.1. There is no grievance mechanism available for workers to report anonymously.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### **Freedom Of Association And Collective Bargaining (FOA)**

Benchmark ID	FOA.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.



Finding Details	In the current corporate employee handbook, the Site does not communicate policy statement regarding the freedom of association and collective bargaining. This concept is not discussed in the new hire orientation. The company should develop and communicate a statement of respect for the rights of workers regarding freedom of association and collective bargaining. The company may also consider posting the NLRA poster in a visible areas such as the break down or by the time clocks. the statement may be inserted in the employee handbook, and included in the new hire orientation, or the company may display the FLA Code. The NLRA Employee rights should not be confused with the concept "right to work".
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	National Labor Relations Act Employee Rights

### Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	Due to the Covid-19 pandemic, the facility has not conducted physical fire drills since Oct 16, 2019. Management did not provide examples of communication or meetings conducted to verbally instruct employees on the fire drill process. However, the local fire department conducted a review of the facility on November 4, 2021.
Recommendation for Immediate Action	During the period of the Covid-19 pandemic, the company should provide periodic communication of the fire drill evacuation process, whether written communication, or conduct departmental meetings and practice social distance guidelines. The Site management should explore the possibility to conduct actual drills with smaller group of workers, such as by department or area of work.

Compliance Classifications	Immediate Action Required
Local Law	NA

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