

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

10 Sep 2024



Factory Information

FLA Affiliates	Outerknown
Country	United States of America
Number of Workers	222

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

FLA Code Element	Number of Violations
Employment Relationship (ER)	15
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	11
Hours Of Work (HOW)	1

Assessment Information

Assessor	Rodriguez Compliance Group
Assessment Date	10 Sep 2024

Assessment Purpose	
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ASSESSMENT RESULTS

Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
Finding Details	Review ER.17.2 for full details. The company currently offers various channels for workers to present concerns; however, management did not demonstrate or provide a tracker for suggestions, complaints, or grievances received, investigated, or resolved.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.

<p>Finding Details</p>	<p>1. The company's current compliance staff does not include a trained individual dedicated full-time to managing health, safety, and environmental (H&SE) aspects of the facility, ensuring that workers at all levels receive effective communication and training on existing policies and procedures, as well as any revisions related to H&SE. 2. The management team did not provide evidence of ongoing training for workers on all FLA Code elements and Employment Functions, either during onboarding or as part of annual refreshers. Training should be conducted in the language of the workers; over 10% of the workforce at this facility speaks Spanish. The company should also ensure that training materials are available in the workers' languages. According to California Division of Labor Standards guidelines, if 10% or more of the workforce speaks a language other than English, the following legal documents must be provided in that language: Policy Against Harassment, Discrimination, and Retaliation (including investigation and complaint procedures), Family and Medical Leave, California Family Rights Act Leave, Reasonable Accommodations for Employees Disabled by Pregnancy, Pregnancy Disability Leave, or Transfer, and Notice of Rights, Benefits, and Obligations under Workers' Compensation Law.</p>
<p>Recommendation for Immediate Action</p>	
<p>Compliance Classifications</p>	<p>Sustainable Improvement Required</p>
<p>Local Law</p>	
<p>Benchmark ID</p>	<p>ER.18.2</p>
<p>Benchmark Details</p>	<p>Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.</p>
<p>Finding Details</p>	<p>The company did not provide evidence of required training for managers and supervisors on the disciplinary system and the proper application of disciplinary practices.</p>
<p>Recommendation for Immediate Action</p>	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The factory did not provide evidence of training for supervisors on federal and state laws, workplace regulations, the FLA Code, workplace grievance systems, and best practices to ensure compliance.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

<p>Finding Details</p>	<p>1. The company did not provide evidence of a policy on forced labor including prison labor, slavery, human trafficking, etc. Furthermore, a review of the company’s corporate website did not identify any statement about Transparency in Supply Chains Act of 2010, which is a requirement for employers in the state of California. 2. The prohibition or a policy on child labor is not communicated in the current California employee handbook [January 1, 2024] nor in the new hire orientation video. However, the company has posted the state labor poster which lists the prohibition hiring a child, under the age of 18. A review of personnel files and interviews with management and workers did not provide credible evidence that the company has engaged in child labor. 3. The company did not present any evidence of policy and procedures which addresses termination and retrenchment, such temporary or permanent layoffs.</p>
<p>Recommendation for Immediate Action</p>	<p>1. Review California requirements related to Transparency in Supply Chains Act of 2010, establish policies on forced labor, communicate to all employees, and conduct regular reviews. 2. Review child labor laws, create a policy with procedures for underage workers, communicate through training, and train HR to identify violations. 3. Review legal requirements such as the California Worker Adjustment and Retraining Notification Act (WARN), develop termination procedures, communicate to employees, and review periodically.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>Transparency in Supply Chains Act of 2010, and CA Labor Code Section 1236</p>
<p>Benchmark ID</p>	<p>ER.6.1</p>
<p>Benchmark Details</p>	<p>Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.</p>
<p>Finding Details</p>	<p>The factory did not provide evidence of written policies and procedures or implement practices that encourage ongoing training for all categories of workers, aimed at enhancing skills for career advancement within the factory or beyond.</p>

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	The factory lacks written policies and procedures for performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing, seek employee feedback and agreement or disagreement in writing, and comply with all local legal requirements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.

Finding Details	The factory has not communicated or provided training on the FLA Code, and during a physical review of the facility, the auditor could not find a posting of the FLA or brand code. Additionally, the onboarding video for new hires does not mention the FLA or its code elements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	1. The factory has not posted or provided written workplace standards for the affiliated company or the FLA Workplace Code. 2. The HR department has improperly managed the federal requirement for the I-9 document (Employment Eligibility Verification). A sample review of the I-9 documents for twenty employees revealed various errors, including the employer failing to complete Section 2 to validate the documents received from employees, unsigned or undated documents, not requiring employees to provide their work authorization number or residency status, and instances of post-dating documents.
Recommendation for Immediate Action	1. The factory should promptly post and provide written workplace standards for the affiliated company and the FLA Workplace Code. 2. The HR department should be retrained on I-9 document requirements, conduct an internal audit of I-9 documentation for all active employees to address deficiencies per USCIS guidelines, ensure that only trained HR personnel manage I-9 documentation, and schedule periodic reviews for accuracy.
Compliance Classifications	Immediate Action Required

Local Law	2. Immigration Reform and Control Act of 1986 (IRCA)
Benchmark ID	ER.3.1
Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	The factory should revise its onboarding video for new hires to include explanations of the employer's rules, compensation package, human resources policies, grievance systems, industrial relations (including respect for the right to freedom of association), workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	The company did not provide any evidence of an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
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 factory's current disciplinary system, as outlined in the employee handbook for California workers, does not include a third-party witness during disciplinary actions or an appeal process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	<p>1. The company currently utilizes a suggestion box located near the time clock at the entrance for workers; however, this location does not ensure user privacy. The California employee handbook advises workers to call the main front desk number, which is only staffed during normal business hours. Additionally, if callers dial the extension, they must provide their names, compromising anonymity if needed.</p> <p>2. The management team has created a document titled "Complaint and Grievance" that outlines rights, responsibilities, procedures, and the formation of a disciplinary and grievance committee. However, this document is not shared with workers, and the committee consists solely of management without any worker representation. Moreover, the HR department has not provided a tracker for suggestions, complaints, or grievances that have been received, investigated, or resolved.</p>

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.16.3
Benchmark Details	Where temporary or permanent layoffs are unavoidable, a plan should be developed and implemented that mitigates the adverse effects of such changes on workers and their communities.
Finding Details	Review ER.1.1 for full details of the finding. The company did not provide evidence of a policy addressing temporary or permanent layoffs, nor a plan to mitigate the adverse effects of such changes on workers and their communities.
Recommendation for Immediate Action	Review California labor law requirements, including the WARN Act, develop relevant policies and procedures, communicate them to the workforce as appropriate, and conduct periodic reviews.
Compliance Classifications	Immediate Action Required
Local Law	Transparency in Supply Chains Act of 2010, and CA Labor Code Section 1236
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	The current employee handbook for workers in California is only available in English, despite more than 10% of the workforce speaking Spanish. Interviews with workers revealed that many either do not have access to the handbook or are unable to read it.
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	The current employee handbook for California workers does not include a statement, policy, or procedure related to freedom of association and collective bargaining. Although management has developed a document titled Standard Operating Procedure (SOP) for Freedom of Association, it has not been shared or presented to workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Harassment Or Abuse (H/A)

Benchmark ID	H/A.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based

Finding Details	California mandates Sexual Harassment Prevention training every two years, requiring one hour for non-supervisory employees and two hours for supervisory employees. The most recent training occurred in early September 2024, during which workers were instructed to view a video on the topic. However, a sample review of twenty personnel files revealed that the certificates of training on sexual harassment were not signed or dated by the employees, raising concerns about their attendance and participation in the training.
Recommendation for Immediate Action	1. Comply with State requirement on Sexual Harassment. 2. Identify employees as that are supervisory and non-supervisory, and schedule training as required by law. 3. Provide documented evidence that training was conducted for each and every employee.
Compliance Classifications	Immediate Action Required
Local Law	Sexual Harassment Prevention as per California Code of Regulations (2 CCR § 11023)
Benchmark ID	H/A.2
Benchmark Details	Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance, for broken or lost tools/machinery, or for violating company rules, regulations, and policies.
Finding Details	The factory's current statement on the disciplinary process does not confirm that the factory will not use monetary fines and penalties to maintain labor discipline, including for poor performance, broken or lost tools/machinery, or violations of company rules, regulations, and policies.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	The factory did not provide evidence of compliance with California's Injury and Illness Prevention Program (IIPP) requirements, which mandate that every employer develop and implement an effective written workplace safety program.
Recommendation for Immediate Action	The factory should develop and implement a comprehensive Injury and Illness Prevention Program (IIPP) to ensure compliance with California requirements and enhance workplace safety.
Compliance Classifications	Immediate Action Required
Local Law	Title 8 of the California Code of Regulations (T8CCR) Section 3203
Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	Site management did not provide evidence that a sufficient number of workers are trained in the use of fire extinguishers, which are located throughout the buildings. Training for both men and women should be conducted during new hire orientation and as part of refresher training.
Recommendation for Immediate Action	The factory should ensure a sufficient number of the workforce is trained in the use of fire extinguishers, with training provided during new hire orientation and included in refresher training sessions.
Compliance Classifications	Immediate Action Required

Local Law	Title 8 of the California Code of Regulations, Section 3220 Emergency Action Plan
Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	Site management did not provide written emergency action plans or summaries of any fire drills conducted in the past year, as required by the Injury and Illness Prevention Program (IIPP).
Recommendation for Immediate Action	1. Train employees on emergency exit procedures. 2. Maintain written emergency action plans and summaries of fire drills. 3. Review on a periodic basis.
Compliance Classifications	Immediate Action Required
Local Law	California Code of Regulations, Title 8, Section 3203 -
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	All emergency doors were properly marked with signage, and each exit was equipped with functional emergency lighting. However, the auditor found that floor markings were not visible in all sections, and yellow tape was easily removed by foot or vehicle traffic. Additionally, there were no visible signs indicating reunion or assembly points for emergency evacuations outside the buildings.

Recommendation for Immediate Action	1. Identify and separate areas for foot and vehicle traffic in the factory workspace. 2. Apply durable, high-visibility markings that cannot be easily removed, and perform regular inspections to ensure they remain intact. 3. Train workers on designated footpaths, with special emphasis on routes for emergencies. 4. Establish and clearly mark assembly points for workers in case of emergency evacuations.
Compliance Classifications	Immediate Action Required
Local Law	OSHA 29CFR.1910.22, and Title 8 of the California Code of Regulations, Section 3220 Emergency Action Plan
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills
Finding Details	Site management did not provide evidence of an assessment following an evacuation, whether for planned or unplanned events, to learn how to improve the evacuation process.
Recommendation for Immediate Action	1. Assess evacuation procedures after any planned or unplanned event and create an action plan with corrective actions. 2. Communicate the results and necessary changes to the workforce to improve future practices.
Compliance Classifications	Immediate Action Required
Local Law	Title 8 of the California Code of Regulations, Section 3220 Emergency Action Plan
Benchmark ID	HSE.9.1
Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

Finding Details	The SDS binder is maintained at the entrance of the chemical storage area, and appropriate signage is displayed on the doors leading to the storage area. However, during the physical review of the work areas, the auditor identified numerous instances where secondary chemical containers were not labeled with their contents. Additionally, the storage area for chemicals did not adequately identify or segregate the containers by name or type of hazards, and proper ventilation may be needed once the hazards are determined.
Recommendation for Immediate Action	1. Ensure all chemical containers, including secondary containers, are labeled with their chemical contents. 2. Segregate chemicals according to the SDS document. 3. Provide training for all workers who handle, use, or store chemicals, with training conducted periodically. 4. Conduct regular reviews of chemical storage and handling procedures.
Compliance Classifications	Immediate Action Required
Local Law	Title 8 of the California Code of Regulations, Section 3220 Emergency Action Plan
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	Electrical panels throughout the facility do not maintain the required safety perimeter of 36 inches, and the auditor observed workers, equipment, and materials placed in front of these panels.
Recommendation for Immediate Action	1. Review all electrical panels, identify the correct safety perimeter, and mark it accordingly. 2. Relocate workers and any obstructions away from the electrical panels. 3. Train all levels of employees on safety requirements. 4. Periodically review all electrical panels.
Compliance Classifications	Immediate Action Required

Local Law	Title 8 of the California Code of Regulations Chapter 4, Subchapter 5 in the Electrical Safety Orders, Sections 2299 - 2989
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	Upon arrival at the factory, the auditor observed a worker driving a forklift without a seatbelt in the parking lot, a violation that was later corrected during the audit. A review of training records indicated that a group of drivers, including the observed worker, received training in July 2024; however, the worker did not follow the safety instructions provided. This incident was reported to management during the opening meeting.
Recommendation for Immediate Action	1. Conduct regular refreshers and retrain all workers who drive powered vehicles, emphasizing the importance of safety protocols, including seatbelt use. 2. Establish a system for monitoring compliance, document future violations, and issue disciplinary actions as appropriate to ensure adherence to safety standards.
Compliance Classifications	Immediate Action Required
Local Law	California Code of Regulations, Title 8, Section 3668 Powered Vehicles
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	The factory's compliance staff currently lacks a dedicated, trained individual to manage health, safety, and environmental (H&SE) aspects of the facility, ensuring that workers at all levels receive communication and training on existing policies and procedures, as well as any revisions related to H&SE. The factory must assign an individual to manage and effectively comply with the state of CA requirement of the Injury and Illness Prevention Program (IIPP).

Recommendation for Immediate Action	The factory should designate a dedicated H&SE manager to ensure effective communication and training for all workers on health, safety, and environmental policies and procedures.
Compliance Classifications	Immediate Action Required
Local Law	Title 8 of the California Code of Regulations Section 3203
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	Site management did not provide evidence of a policy or procedures to address ergonomic issues, nor did they present proof of ergonomic training for workers. Interviews with workers confirmed that training has not been provided, and they have not been instructed to perform ergonomic exercises or stretches.
Recommendation for Immediate Action	1. The factory should develop and implement a policy addressing repetitive motion injuries, ensuring that procedures are communicated through written documentation. 2. The factory should provide periodic training for workers, along with necessary ergonomic work chairs or mats to facilitate task performance. 3. Regular reviews of the policies and procedures should be conducted and updated as necessary to meet legal and customer requirements
Compliance Classifications	Immediate Action Required
Local Law	California Code of Regulations, Title 8, Section 5110 (Repetitive Motion Injuries)
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.

Finding Details	1. During the physical review of the factory, the auditor observed that workers seated at sewing machines were using folding or inappropriate chairs. 2. Additionally, workers who stand throughout the workday lack ergonomics training and do not rotate tasks to reduce stress or strain, nor do they have or utilize ergonomic mats.
Recommendation for Immediate Action	1. Develop and implement a comprehensive ergonomic policy that includes procedures for identifying and addressing ergonomic issues, ensuring that all workers receive appropriate training on ergonomics. 2. Provide suitable ergonomic chairs for workers at sewing machines and ensure that those who stand for long periods have access to ergonomic mats. 3. Provide ergonomic mats for workers who stand throughout the workday.
Compliance Classifications	Immediate Action Required
Local Law	California Code of Regulations, Title 8, Section 5110 (Repetitive Motion Injuries)

Hours Of Work (HOW)

Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	Interviews with workers confirmed that overtime hours were occasional and voluntary. The auditor identified one instance of a worker exceeding the maximum limit of 60 hours per week. A review of payroll from April and May 2023, and August 2024, for twenty workers revealed that a worker in the cutting room worked 64.17 hours during the week of August 3-9, 2024.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law

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