



COMPANIES: Lakeshirts, Inc.

COUNTRY: United States

ASSESSMENT DATE: 11/13/17

ASSESSOR: Miriam Rodriguez

PRODUCTS: Apparel

NUMBER OF WORKERS: 457

## FLA Comments

Beginning with assessments conducted in 2017, the Fair Labor Association no longer reviews remediation plans submitted by company affiliates. The remediation plans in this report are reflected in their original form, as submitted by the company affiliate to the FLA. Each year, selected factories receive verification assessments to review remediation progress. These reports appear on the Fair Labor Association website and include the findings from the original report, the company remediation plan, and a link to the original report.

## Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

- 1.The factory's Hours of Work policies do not state that working hours should not exceed 60 hours per week (40 regular hours and 20 overtime hours) or that workers are entitled to one rest day in every seven-day period. The policy does not state that overtime work must be consensual, either. ER.1
- 2.The factory does not have policies or procedures on Retrenchment, and the employee handbook does not list Retrenchment as a form of "separation of employment." The Termination policies and procedures do not include methods for calculating final payouts in accordance with legal requirements. ER.1, ER.19, ER.32
- 3.The factory does not have policies or procedures on Industrial Relations & Freedom of Association, and the employee handbook does not mention Freedom of Association. ER.1
- 4.The factory's Workplace Conduct and Discipline policies and procedures do not detail a system of progressive discipline, moving from verbal warnings to written warnings to suspension and finally to termination. There are no procedures for workers to appeal disciplinary actions, either. ER.1, ER.27
- 5.The factory does not have formal written policies or procedures which address the anonymous reporting of grievances. The procedures do not include an 800 number or third-party service to support anonymous reporting. ER.1, ER.25

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.25, ER.27, and ER.32)

##### Root Causes

The facility has not aligned internal policies or procedures to align with FLA Code; there is a lack of documented analysis or review of the current policies and procedures.

##### FLA's Recommendations for Sustainable Improvements

- 1.Review FLA Benchmarks.
- 2.Develop and finalize policies or procedures.
- 3.Communicate new policies and procedures to all levels of employees.
- 4.Train relevant manager and/or supervisors on how to implement new policies or procedures.
- 5.Establish a periodic review of policies and procedures, whether on an annual basis, or periodic cycle.

#### COMPANY ACTION PLANS

Action Plan no 1.

#### Description

New Employee Team Playbook has been rolled out.

#### Planned completion date

09/09/18

#### Company Action Plan Update

New Employee Team Playbook has been rolled out.

#### Action Plan no 2.

#### Description

New employee handbook has been rolled out with updated policies and procedures

#### Planned completion date

09/09/18

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

#### Finding Explanation

- 1.The factory does not provide specific training to the relevant supervisors on Retrenchment or Industrial Relations & Freedom of Association. ER.17
- 2.The factory does not provide specific or ongoing training to workers on Retrenchment or Industrial Relations & Freedom of Association. ER.1, ER.15
- 3.The factory has not trained a sufficient number of workers, on all work shifts, in the provision of first aid. At the time of the assessment, the factory employed 370 workers but only 34 workers were trained on first aid techniques. HSE.6
- 4.The factory has not trained a sufficient number of workers on the use of fire extinguishers. HSE.6

#### Local Law or Code Requirement

OSHA Standard 29 CFR 1910.151 (Medical Services and First Aid); OSHA Standard 29 CFR 1910.1030(g)(2) (Blood Borne Pathogens); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, and ER.17; Health, Safety & Environment Benchmark HSE.6)

#### Root Causes

The facility has not established a formal training program to provide new skills or refresh skills.

#### FLA's Recommendations for Sustainable Improvements

- 1.Develop or finalize policies and procedures necessary to support required training.
- 2.Identify an appropriate trainer and develop training materials.
- 3.Identify individuals or groups to be trained.
- 4.Set a training schedule.
- 5.Maintain documentation of trainings, calendars, and materials.

### COMPANY ACTION PLANS

#### Action Plan no 1.

#### Description

New employee handbook was rolled out. 5 additional employees have gone through first aid training. We have 34 floor wardens trained and they have been trained on fire extinguisher use.

#### Planned completion date

09/09/18

#### Company Action Plan Update

New employee handbook was rolled out. 5 additional employees have gone through first aid training. We have 34 floor wardens trained and they have been trained on fire extinguisher use.

#### Action Plan no 2.

#### Description

New employee handbook rolled out with updated policies and procedures. additional employees have gone through first aid training. 34 floor wardens have been trained on fire extinguisher use.

Planned completion date  
09/09/18

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

##### Finding Explanation

- 1.The factory does not have the FLA Workplace Code or their own code standards posted in a prominent area. The factory highlights its commitment to the FLA in the employee handbook and has the Company's Code of Conduct posted on its website, but the workers interviewed were not able to articulate or recall the FLA Code of Conduct. ER.16
- 2.As the factory does not have policies or procedures on Retrenchment they are unable to communicate these policies, procedures, or their updates to the general workforce. ER.1, ER.16
- 3.Aside from referring to the FLA's Code of Conduct, the factory does not communicate the Industrial Relations & Freedom of Association policies and procedures to all workers. ER.1, ER.16

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.16)

##### Root Causes

Lack of adequate communication strategy to broadly share or communicate established policies.

##### FLA's Recommendations for Sustainable Improvements

- 1.Post or display the FLA Code in a prominent place.
- 2.Develop or finalize policies and procedures necessary to support required training.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Lakeshirts has been under some construction and the signs got taken down, we have now posted the Lakeshirts Workplace Code of Conduct on all Employee boards throughout the entire factory.

Planned completion date  
09/09/18

##### Company Action Plan Update

Lakeshirts has been under some construction and the signs got taken down, we have now posted the Lakeshirts Workplace Code of Conduct on all Employee boards throughout the entire factory.

#### Action Plan no 2.

##### Description

Posted the Lakeshirts Workplace Code of Conduct on all Employee Boards throughout the entire factory. New employee handbook rolled out. Added communication of the Code of Conduct to new hire orientation.

Planned completion date  
09/09/18

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

#### Finding Explanation

As the factory does not have policies or procedures on Retrenchment, Industrial Relations & Freedom of Association, or the Grievance System, they are unable to regularly review and update these policies and procedures. ER.1

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Team Playbook was rolled out and all information should be in there pertaining this finding.

##### Planned completion date

09/09/18

##### Company Action Plan Update

Team Playbook was rolled out and all information should be in there pertaining this finding.

#### Action Plan no 2.

##### Description

Rolled out new Employee handbook and updated policy and procedures within.

##### Planned completion date

09/09/18

### FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Hours of Work

#### Finding Explanation

The factory's working hours records do not identify pregnant women or new mothers so that they may receive the appropriate accommodations. HOW.5, ND.8

#### Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.5; Nondiscrimination Benchmark ND.8)

#### Root Causes

Lack of review FLA Benchmarks and align with benchmarks as necessary or appropriate.

#### FLA's Recommendations for Sustainable Improvements

- 1.Develop and finalize policies or procedures.
- 2.Communicate new policies and procedures to all levels of employees.
- 3.Train relevant managers or supervisors on how to implement new policies and procedures.
- 4.Establish a periodic review of policies or procedures, whether on an annual basis, or periodic cycle.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Updated in Team Playbook

##### Planned completion date

09/09/18

##### Company Action Plan Update

Updated in Team Playbook

## Action Plan no 2.

### Description

Updated in new Employee Handbook.

### Planned completion date

09/09/18

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

### Finding Explanation

Disciplinary actions are not witnessed by a third party during imposition. ER.27

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

### Root Causes

A lack Review of FLA Benchmarks and a lack of alignment with benchmarks as necessary or appropriate.

### FLA's Recommendations for Sustainable Improvements

- 1.Develop and finalize policies and procedures.
- 2.Communicate new policies and procedures to all levels of employees.
- 3.Train relevant manager and/or supervisors on how to implement new policies and procedures.
- 4.Establish a periodic review of policies and procedures, whether on an annual basis, or periodic cycle

### COMPANY ACTION PLANS

#### Action Plan no 1.

### Description

Updated in the Team Playbook

### Planned completion date

09/09/18

### Company Action Plan Update

Updated in the Team Playbook

#### Action Plan no 2.

### Description

Developed and finalized policies and procedures, communicated new policies and procedures to all levels of employees.

### Planned completion date

09/09/18

## FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

### Finding Explanation

- 1.There is no mechanism in place that allows workers to report harassment or grievances confidentially. ER.25
- 2.The factory does not maintain documentation of anonymous grievances. ER.2

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.25)

#### Root Causes

A lack of review of FLA Benchmarks and align with benchmarks as necessary or appropriate.

#### FLA's Recommendations for Sustainable Improvements

- 1.Develop and finalize policies and procedures.
- 2.Communicate new policies and procedures to all levels of employees.
- 3.Train relevant manager and/or supervisors on how to implement new policies and procedures.
- 4.Establish a periodic review of policies and procedures, whether on an annual basis, or periodic cycle

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Lakeshirts plans to release it's new Grievance System this month.

##### Planned completion date

09/09/18

##### Company Action Plan Update

GM is now in place and will get educated to entire personnel.

#### Action Plan no 2.

##### Description

Created a grievance mechanism and boxes for employees to submit their issues. Also created an online link to RESOLVE program for employees to submit their issues confidentially. Both mechanisms are confidential.

##### Planned completion date

09/09/18

### FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

There were several chemical containers left in the walkway (in the warehouse area on the south side of the building). The containers were not labeled with their contents and main hazards. HSE.9

##### Local Law or Code Requirement

OSHA Standard 29 CFR 1910.1200 (Chemical Labeling); FLA Workplace Code (Health, Safety and Environment Benchmark HSE.9)

##### Root Causes

Lack of training; need to review and train workers on the handling chemicals to ensure proper labeling and the placement of chemical containers in work area.

##### FLA's Recommendations for Sustainable Improvements

- 1.Provide training to workers handling chemicals.
- 2.Review protocols for the labeling of chemical containers.
- 3.Establish areas or zones to place or store chemicals.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

All containers have been labeled.

Planned completion date

09/09/18

Company Action Plan Update

All containers have been labeled.

Action Plan no 2.

Description

All containers are now labeled with their contents and main hazards. Going forward the Safety Coordinator addressed the issue throughout the entire plant and will continue to randomly do checks throughout the plant floor for any unlabeled containers.

Planned completion date

09/09/18

## FINDING NO.9

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

Finding Explanation

- 1.The traffic lanes and walking paths throughout the building are either not marked or the markings are not visible and clear. The markings do not clearly indicate where to walk, where to place materials, or where work is in process. HSE.1
- 2.Assessors found a circular cushion behind machinery in the screen printing area. It appeared to be an area used for sleeping, but the HSE manager did not know why the cushion was there. Upon further questioning, it was determined that an employee brings his dog to work, and has the animal sleep or lay behind the machines. The HR manager noted that it will be necessary to develop a policy related to pets in the work area as there may be a risk of injury to another employee or the animal. HSE.1

Local Law or Code Requirement

OSHA Standard 29 CFR 1910.144 (Aisles/Walkways); OSHA Standard 29 CFR 1904.5 (Determination of Work Related Injury); FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

Root Causes

Lack of awareness or application of OSHA standards and industry standards to identify and mark areas of work and passageways.

FLA's Recommendations for Sustainable Improvements

- 1.Develop and finalize policies and procedures, especially related to brining animals to work.
- 2.Identify areas of work in conjunction to emergency action plan.
- 3.Communicate new policies and procedures to all levels of employees.
- 4.Train relevant managers and/or supervisors on how to implement new policies or procedures.
- 5.Establish a periodic review of policies and procedures, whether on an annual basis, or periodic cycle.

### COMPANY ACTION PLANS

Action Plan no 1.

Description

1. traffic lanes and walking paths where marked
2. the cushion was removed.

Planned completion date

09/09/18

Company Action Plan Update

1. traffic lanes and walking paths where marked
2. the cushion was removed.

Action Plan no 2.

Description

1. traffic lanes and walking paths have been marked



2. cushion has been removed.

Planned completion date

09/09/18

Company Action Plan Update

1. traffic lanes and walking paths have been marked
2. cushion has been removed.

Action Plan no 3.

Description

1. Traffic Lanes/walking paths have been created.
2. Cushion was removed, and a dog policy has been published in the new employee handbook.

Planned completion date

09/09/18

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

Finding Explanation

- 1.Work in progress materials are blocking a fire extinguisher (Unit #20 on the south side of the main building). HSE.1, HSE.6
- 2.Several emergency lights in the new screen printing area and the embroidery area did not turn on when tested. HSE.5
- 3.An eyewash station in the new warehouse on the west side of the building is blocked. HSE.6
- 4.There are blocked electrical panels on the south side of the new building. HSE.6

Local Law or Code Requirement

OSHA Standard 29 CFR 1910.157 (Fire Extinguishers); OSHA Standard 29 CFR 1910.151(c); OSHA Standard 29 CFR 1910.37(b); OSHA Standard 29 CFR 1910.303 (Electrical Panels); FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5, and HSE.6)

Root Causes

- 1.Lack of effective or periodic training on the clearance of safety equipment.
- 2.Lack of periodic review of safety equipment, by H&S committee or employees in department or area.
- 3.Lack of proper safety signage

FLA's Recommendations for Sustainable Improvements

- 1.Ensure that all fire extinguishers are unblocked and easily accessible.
- 2.Regularly test and maintain all emergency lights. Promptly repair any emergency lights that do not work.

### COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Moved extinguishers, marked floor, and got extinguishers filed.
2. Replaced the exit light by dryer #10, working to check any others
3. Moved the stuff blocking the eyewash station
4. All electrical panels are now not blocked and have warning tape around the area

Company Action Plan Update

Emergency lights have all been tested and are in working order.

Action Plan no 2.

Description

1. Moved extinguishers, marked floor, and got extinguishers filled.
2. Replaced the exit light by dryer #10, along with #6
3. Moved the stuff blocking the eyewash station
4. All electrical panels are now not blocked and have yellow/black tape around the area