



FAIR LABOR
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INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: PING, Inc.
COUNTRY: United States
ASSESSMENT DATE: 09/08/16
ASSESSOR: Miriam Rodriguez
PRODUCTS: Apparel
NUMBER OF WORKERS: 28

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: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There were no temporary workers at the facility at the time of the assessment. However, when the factory contracts workers through temporary agencies, workers are paid by the agency and not by the factory. There is no direct relationship between the workers and the factory with regards to payments.
2. The files for temporary workers are kept offsite at the temporary worker agencies. The factory does not maintain employment files of temporary workers at the factory location.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.6.1 and ER.11.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

To the extent PING engages agencies to supply temporary workers, PING complies with all federal and state laws. The way PING engages agencies to supply temporary workers is a commonly accepted business practice in the United States and PING will continue to run its business as it sees fit within the bounds of the laws of the United States and the states in which we operate. When temporary workers are engaged, a representative from the agency is on-sight at PING to support them. In addition, the temporaries' employment files are accessible electronically either through the agency representative or through a computer terminal, which is available in the company's break room.

Planned completion date

09/08/18

Company Action Plan Update

To the extent PING engages agencies to supply temporary workers, PING complies with all federal and state laws. The way PING engages agencies to supply temporary workers is a commonly accepted business practice in the United States and PING will continue to run its business as it sees fit within the bounds of the laws of the United States and the states in which we operate. When temporary workers are engaged, a representative from the agency is on-sight at PING to support them. In addition, the temporaries' employment files are accessible electronically either through the agency representative or through a computer terminal, which is available in the company's break room.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

- 1.The factory does not have policies or procedures on Industrial Relations and Freedom of Association (FOA) or define the responsible person(s) for Industrial Relations in the factory.
- 2.The factory has not developed any procedures, formal or informal, that ensure knowledge of FOA with the workforce. The factory does not communicate any Industrial Relations and FOA policies or procedures to the general workforce.
- 3.The factory does not train supervisors or workers on Industrial Relations and FOA. Some elements of the FLA Workplace Code of Conduct are read at worker orientation, but not explained; however, this does not include the FOA part of the Code.
- 4.Workers are not apprised of the primary contact within the factory who has ultimate accountability with regards to Industrial Relations-Freedom of Association
- 5.The factory does not have policies or procedures with regards to Industrial Relations and FOA; therefore they have not updated such policies according to changes in local law, regulations and FLA Code, nor is there a defined review period to do so.
- 6.Management says that workers can form or join a union. However, the employee handbook has a statement that could be interpreted as discouraging workers to "solicit or promote any cause or organization unless prior written approval is obtained from executive management" or "distribute or circulate any written or printed material in work areas at any time." The policy also states: "under no circumstances are non-employees permitted to solicit or distribute written material for any purpose on [company] property. This policy applies to all employees and governs the distribution of non-work-related written materials, non-work-related solicitation, and entry onto the premises and into work related areas."

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2.1, ER.15.1, ER.16.1, ER.17.1, and ER.25.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Contrary to the auditor's finding, PING does have policies and procedures on industrial relations and freedom of association through its Code of Conduct. The workforce and management receive training on these policies in two ways: upon hire during orientation, and once annually through refresher training. Further, PING maintains an open door policy in which employees are free to bring their questions/concerns to their supervisors or members of executive management, of which they regularly avail themselves. Finally, the auditor quotes from PING's Solicitation/Distribution policy and speculates it could be interpreted to discourage workers. After legal review, we have determined that PING complies with applicable law. It is a workplace best practice to not allow solicitation/distribution during working time in work areas, which is precisely what the referenced policy does.

Planned completion date

09/08/18

Company Action Plan Update

PING has revised its policy regarding Distributing Literature and Soliciting. A copy of the policy is attached.

Action Plan no 2.

Description

Review and revise policy (as necessary) regarding industrial relations.

Planned completion date

09/08/18

Company Action Plan Update

PING has revised its policy regarding Distributing Literature and Soliciting. A copy of the policy is attached.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

The factory has comprehensive policies and procedures for the Grievance System, however the procedures do not reference compliance with the FLA Code.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

PING's employee handbook (under revision) will reference PING's FLA-aligned Code of Conduct.

Planned completion date

09/08/18

Company Action Plan Update

New handbook is being drafted and reviewed.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

The factory has comprehensive Environmental Protection policies and procedures which include a section that encourages workers to identify and report environmental violations. However, the procedures do not include a clause protecting workers who allege environmental violations.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER. 31.2.6)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Revise EHS policy to include anti-retaliation language.

Planned completion date

09/08/18

Company Action Plan Update

Revised EHS policy which includes anti-retaliation language is attached.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory has comprehensive Health & Safety policies and procedures; however, the policies do not include a clause protecting workers who allege Health & Safety violations.

Local Law or Code Requirement

COMPANY ACTION PLANS

Action Plan no 1.

Description

Revise EHS policy to include anti-retaliation language.

Planned completion date

09/08/18

Company Action Plan Update

Revised EHS policy which includes anti-retaliation language is attached.

FINDING NO.6

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

The factory has a generous Paid Time Off policy, which is utilized by workers. If an employee has worked 40 hours by the fourth working day (Thursday), they factory will grant them the fifth day off, paid at time and a half.