



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Richline Group, Inc.

COUNTRY: Italy

ASSESSMENT DATE: 08/24/16

ASSESSOR: FLA EMEA

PRODUCTS: Apparel

NUMBER OF WORKERS: 50

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

Factory overview

The factory does not have a production process in the factory. The beads which are used for FLA affiliate are produced by glass artists and other processes (e.g. painting, sealing, mounting) in other small factories. Although the factory notifies the FLA affiliate about subcontractors and has clear contracts with those factories which cover basic workers' rights according to the local laws, there is no monitoring system for enforcement

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Action Plan Title

Production Process Monitoring

Details

The Company is taking the assessment recommendations very seriously and is committed to adhering to FLA's workplace standards. reviewing and in the process of developing written policies. Since the information was inadvertently sent to the incorrect location, we will need more time as it relates to providing copies of the written policies which is also to be implemented.

As of today, Monday, 12/12/2016 updates will be provided once received on this subject matter.

Planned Completion Date

01/31/17

Planned completion date

12/02/16

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has policies on Recruitment and Hiring based on the CBA, however there are no policies related to Personnel Development. The existing policies do not reference the FLA Code of Conduct. Moreover, no procedures for performance reviews or to broaden skills for career development. Procedures, including information on managing promotion, demotion and job reassignment are not available either.
2. Although performance reviews are conducted according to the CBA, they are not documented in writing.
3. The factory provides orientation training for the workers however it does not document or update it regularly. Training is delivered upon hiring based on requirements in the Collective Bargaining Agreement (CBA), however workers do not receive written documentation that substantiates all the issues covered in orientation.
4. There is no ongoing training to employees on Recruitment, Hiring & Personnel Development practices and workplace standards.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.28, ER.29 and ER.30)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Action Plan Title

Recruitment, Hiring & Personnel Development

Details

The Company is taking the assessment recommendations very seriously and is committed to adhering to FLA's workplace standards. reviewing and in the process of developing written policies. Since the information was inadvertently sent to the incorrect location, we will need more time as it relates to providing copies of the written policies which is also to be implemented. As of today, Monday, 12/12/2016 updates will be provided once received on this subject matter.

Planned Completion Date

01/31/17

Planned completion date

12/02/16

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

The facility does not have a written policy for the Grievance System. There is an informal grievance system in place based on an open door policy and a suggestion box, however there is no documentation of this system. Therefore, employees and supervisors are not trained on grievance policies and procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Action Plan Title

Grievance System

Details

Regarding the Grievance system : we are a Family company and for the normal grievance (for example is too hot or to cold into the warehouse etc.... usually the employees come directly to one of us and we take immediate corrective action to solve the issue. Moreover when they have the training they can speak with the Advisor (we are not present when these training are held so them

can speak freely. If any employee have a Grievance that we have not resolve they have the right to go to the labor union freely, and at their discretion.

A written policy is being created
Planned Completion Date
12/31/16

Planned completion date
12/02/16

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The facility has not installed a fire alarm as this is not legally required since there is no production in the facility and it employs fewer than ten workers.
2. The facility keeps all exits locked, including the emergency exits. Management explained that since precious metals are maintained onsite, the insurance company requires all exits to be locked. Management oversees the keys. Furthermore, the doors do not open outwards with a push bar system.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.5)

Recommendations for Immediate Action

1. Ensure that all exits of the facility, including emergency exits, are unlocked during working outs.
2. Ensure that emergency exit doors open outwards.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Action Plan Title

Health & Safety - Fire & Emergency Action Plan

Details

On 08/31/2016, following the recommendations by the FLA Auditor, the Company took immediate steps to ensure that the facility installed a fire alarm though it is not legally required since there is no production in the facility and it employs fewer than ten workers. The facility now keeps all exits unlocked during working hours and everyone can reach the key easily without having to wait on a Manager, Attached pictures of "evacuation Plan " , Key on the door and open door ; Moreover in the other 2 attachment there is the new Emergeny Plan made by an external Advisor with written that for the fire Hazard we are in the law (see PIANO EMERGENZA.jpg point 3.8).

Planned Completion Date
08/31/16

Planned completion date
12/02/16

Company Action Plan Update

This violation, as cited by the FLA has now been corrected.