



COMPANIES: FTD
COUNTRY: United States
ASSESSMENT DATE: 10/11/16
ASSESSOR: Miriam Rodriguez
PRODUCTS: Apparel
NUMBER OF WORKERS: 263

FLA Comments

FTD ceased affiliation with FLA at the beginning of 2017. Therefore, the company will not be reporting to FLA on the remedial efforts regarding issues identified in this 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: Industrial Relations

Finding Explanation

1. Even though, the facility has an active union and Collective Bargaining Agreement, which covers employees in the manufacturing unit of the facility, the handbook for non-union or indirect employees does not acknowledge the Freedom of Association rights of indirect employees.
2. On page sixty-two, section 19.1 identified as the "Union Free Policy" of the Non Unit Handbook (revised January 2010), the factory makes the following statement: "Operations covered by this Handbook are union free. We have had an experience with unions, and it is our belief that a union is not in the best interest of any Team Member covered by this Handbook. We want you to know of our union-free policy so that you can freely choose to respect it. At the same time, we want you to know that we will continue to respect fully the rights of all employees under the law...". This statement violates Section 8(a)(1) of the National Labor Relations Act, which states that employers may not "interfere with, restrain, or coerce employees in the exercise of the [right to unionize]".
3. The factory does not cover Industrial Relations, including Freedom of Association, during the orientation training provided to new workers.
4. The factory does not provide specific training for supervisors or ongoing training for workers on Industrial Relations.
5. Since the factory does not have policies and procedures on Industrial Relations for non-union or indirect employees, management does not regularly review and update them according to local laws/FLA regulations.

Local Law or Code Requirement

National Labor Relations Act, Section 8(a)(1); FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.15.1, ER.17.1, and ER.26; Freedom of Association Benchmark FOA.1)

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

- 1.The factory only provides seniority and fringe benefits to permanent workers.
- 2.Interviews with factory management confirmed that workers are converted to the factory's payroll from the temporary employment agency's payroll if the factory has an open job position for a qualified individual. In the sample review of nine personnel files, approximately one temporary worker has been converted to a permanent worker in 2016. However, when workers are converted to the factory's payroll and become permanent workers, their seniority is dated to their first day as a permanent worker, rather than their first

day as a temporary worker at the factory. This practice does not comply with the FLA Code and Benchmarks that stipulate that for any temporary worker who becomes a permanent worker, seniority and other fringe benefits must be dated from their first day as a temporary worker.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1 and ER.12)

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Temporary workers, hired through a temporary employment agency, do not have a direct employment relationship with the factory. The factory also does not have a contract with the agency to ensure equality of compensation and workplace standards as established under the FLA Workplace Code. At the time of the assessment, 10 out of the 78 manufacturing workers were hired through the temporary employment agency.

2. The factory's personnel files for active temporary agency workers assigned to the factory are limited; the files only include documents related to training and time clock registers. Permanent personnel files for temporary workers are only maintained by the temporary employment agency.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.6.1, ER.11.3, and ER.11.5)

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

The factory does not provide nor utilize performance reviews with employees. The facility did not provide evidence of written policies or procedures which outline the review steps and process; or linkages to job grading, prohibition of discrimination, or seeking feedback from employees. This practice does not comply with the FLA Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.29.1)

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

Management does not maintain records identifying all pregnant women and nursing mothers who are entitled to legal protection concerning working hours, as per the Fair Labor Standards Act. However, factory management provides access to the private room to any female worker who requests such accommodations.

Local Law or Code Requirement

Fair Labor Standards Act (FLSA), Section 7(R); FLA Workplace Code (Hours of Work Benchmarks HOW.5.1)

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

The factory did not provide evidence of factory management's general support of energy and water efficiency, and a commitment to minimize impacts to air emissions, waste and hazardous materials and other applicable environmental risks.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)