



FAIR LABOR
ASSOCIATION[®]

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: League Collegiate Wear, Inc. (L2 Brands)

COUNTRY: United States

ASSESSMENT DATE: 09/24/19

ASSESSOR: Miriam Rodriguez

PRODUCTS: Apparel

NUMBER OF WORKERS: 196

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.

FLA Code Element	Number of Violations
Compensation	1
Hours of Work	2
Employment Relationship	23
Health, Safety, and Environment	25
Harassment and Abuse	1
Forced Labor	1
Freedom of Association	2

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The assessors noted the following chemical containers without labels: a spray bottle in the screen washing area, a container with spot cleaning remover in the screen-printing area, and several 55 gallon drums in the warehouse were not labeled to indicate if the drums contain waste or other contents or whether full or empty. In addition, there was debris on top of these drums. [HSE.9]

The portable eyewash station, in the warehouse, has a bottle of solution which is expired. [HSE.9]

Three sets of electrical panels in the warehouse are obstructed by materials (wiring and wooden boards) used by external contractor or equipment (forklift) which impacted the required 3-foot clearance. [HSE.5]

The storage area used by the electrical contractor is not restricted and lacks signage to not enter work area. [HSE.14]

Local Law or Code Requirement

OSHA 29 CFR 1910.137 (emergency exit, doors marking), OSHA 29 CFR 1910.1200 (workplace chemical labeling), NFPA 704 (Standard system for the identification of the hazard of materials), OSHA 29 CFR 1910.303 (g) and NFPA 70 110.26 (electrical panel requirements), OSHA 29 CFR 1910.151 (medical and first aid, including eyewash), ANSI/ISEA Z308.1-2015 (first aid supplies), ANSI/ISEA Z358 (eye wash); FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.5, HSE.9, and HSE.14)

Root Causes

1. Lack of effective overview of HSE issues, and lack of training of workers on HSE procedures.

Recommendations for Immediate Action

1. Ensure that secondary containers of chemicals are properly labelled. Train employees on the procedures.
2. Ensure eyewash stations are equipped with necessary solutions and that solutions are within expiration dates. Train employees on the procedures.
3. Identify and mark required clearance for electrical panels, and educate workers on the proper use of clearance space.
4. Review the facility's HSE procedures with the external contractor and mark any external contractor worker areas as restricted.

FLA's Recommendations for Sustainable Improvements

COMPANY ACTION PLANS

Action Plan no 1.

Description

1a) Replaced spray bottle with a new secondary container, a bucket, and labeled. Updated the label with the chemical name and pertinent information from the respective MSDS. Completed 12/19/19. See two photos. Employee training for new hires and annual refresher on importance of labeling secondary containers of chemicals implemented as well as random checks throughout the plant floor conducted by Operations team.

<!--[endif]-->

1b) Labeled the spot cleaner reservoir with a secondary container label.

Updated the label with the chemical name and pertinent information from the respective MSDS. Completed 12/19/19. See three photos. Employee training for new hires and annual refresher on importance of labeling secondary containers of chemicals implemented as well as random checks throughout the plant floor conducted by Operations team.

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1c) Labeled waste containers with two magnets: one to note the type of waste contained, screen print (SP) or direct-to-garment (DTG), and one to indicate full or empty. Indicator label also serves as a visual control, where red means the container is full and green means the container is empty. Signs organize the area and request no debris be placed on top of the containers. Used magnets with labels and/or tape to be placed on the containers, and signage above the containers. Completed 12/13/19. See four photos. Employee training for new hires and annual refresher on importance of labeling secondary containers of chemicals implemented as well as random checks throughout the plant floor conducted by Operations team.

2) Portable eyewash stations throughout the production floor were assessed, new bottles were ordered and replaced for those with expired solution. The stations were marked on a master checklist so not to be overlooked in the future. Completed 12/13/19. See three photos. Employee training for new hires and annual refresher on procedure to ensure eyewash stations have un-expired solution also implemented as well as random checks throughout the plant floor conducted by Operations team.

3) Wiring and wooden boards were moved, racking was built, and tape was placed to indicate necessary clearances around the electrical panels.

The area was organized to ensure the clearances from the electrical panel to the racking and tape had 3-ft clearance. Completed 11/12/19. See photo. Employee training for new hires and annual refresher on proper use of clearance space has been implemented as well as random checks throughout the plant floor conducted by Operations team.

4) Previously obstructed areas are now clear. Current contractor area was identified with signage to not enter the area. The factory created signage to place around current contractor area. Factory reviewed their HSE procedures with the external contractors so they understand the importance of safety. Completed 1/16/2020. See two photos.

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Planned completion date
12/14/19

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The site has not conducted baseline assessments or monitoring on noise, air quality/ventilation, or illumination to determine if levels are within legal limits. Employees in the embroidery area are exposed to noise generated by machinery. Employees in the screen washing area are exposed to chemicals. [HSE.13]

During the site tour and employee interviews, auditors confirmed that work stations cannot be adjusted (i.e. tables). The auditors observed an employee in the headwear area working on sewing/trimming seated on a stool that was not adjustable and lacked back support. [HSE.17]

The facility has developed and posted guides with ergonomic stretching exercises for workers in the production areas. However, these exercises are optional and facility management does not have procedures to monitor if employees are actually performing the exercises. [HSE.17]

The factory lacks a Blood Borne Pathogens program and does not provide awareness training for all employees. All workers are exposed and in particular, the workers in the areas of sewing and embroidery due to the usage of needles and sharp objects. [HSE.1]

A door in the warehouse lacks the marking "NOT AN EMERGENCY DOOR". In addition, the evacuation maps posted throughout the facility lack a date of revision. The facility has undergone various construction and expansion projects and the diagrams are not current. [HSE.5] Portable ladders leaning against walls and are not secured nor restrained [HSE.14]

Local Law or Code Requirement

OSHA 29 CFR 1910.132 (hazard assessments); 1910.95 (occupational noise); 1910.134 (respiratory protection); OSHA Act of 1970, General Duty Clause Section 5(a)(1) - OSHA guidelines on prevention of hazards, including ergonomic hazards; OSHA 29 CFR 1910.1030 (Bloodborne Pathogens); OSHA CFR 29 1910.23 (ladder safety); FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.5, HSE.13, HSE.14, HSE.17)

Root Causes

1. The facility has not established an effective hazard or risk assessment process.
2. Lack of adjustable equipment and lack of monitoring activities.
3. Lack of awareness of OSHA requirement and FLA Benchmarks.
4. Lack of training of employees on the safe storage of equipment such as ladders.

FLA's Recommendations for Sustainable Improvements

1. Conduct formal monitoring to measure noise levels, air quality and illumination. Based on the results of these assessments, the facility shall follow recommended corrective actions in order to reduce the workers exposure to any occupational risks and/or use appropriate PPE, if necessary.
2. The facility shall conduct a formal assessment in order to determine which work stations lack ergonomic/adjustable chairs and tables.
3. Enforce and monitor the effectiveness of the ergonomic/stretching exercise program.
4. Develop and implement a written blood borne pathogens program according to OSHA requirements, and establish regular periodic training for all workers.
5. Identify acceptable emergency exit doors, and label all doors whether an exit or not an exit and update diagrams.
6. Secure all portable ladders to minimize the risk of accidental displacement. Ladders can be restrained with chains or hooks on wall. Periodically inspect the ladders to ensure that they are secured at all times.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The facility is considering having outside service provider to conduct a thorough baseline assessment for noise, air quality, and illumination and has reached out to several providers to obtain quotes. In Progress...
2. The workstation in question was assessed and the chair was replaced with one that has support from an adjustable back and is able to be adjusted for the various heights of this one workstation. Completed 1/15/2020. See one photo.
3. The stretching program was reinforced with supervisors and the Safety Committee members. The directions were updated to reflect new company branding. Completed 1/15/2020. See two photos.
4. The facility has purchased sharps containers and placed in areas identified with exposure risk: Shipping and Embroidery. Please refer to two photos. The facility also installed Bloodborne Pathogen Kits that are mounted in First Aid areas with identified exposure risk. Refer to one photo. The facility is in the process of formalizing a written Blood Borne Pathogens Program.
- 5 a) The door in the warehouse was assessed and proper signage "NOT AN EMERGENCY EXIT DOOR" was posted. Completed 1/15/2020. See two photos.
- 5 b) Evacuation maps around the building had dates added to indicate when the last update occurred. Coordinated with the safety committee members to label all maps around the facility. Completed 1/23/2020. See two photos.
6. The portable ladders were secured with hooks that were mounted in specific locations. Completed 1/23/2020. See two photos.

Planned completion date

1. Purchased a sound meter & have conducted a sound analysis at various areas of the production floor. Please see attached

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

The facility's employee handbook (revised September 3, 2008) does not list or detail the following policies or statements: forced labor, child labor, freedom of association, or collective bargaining. The Company's current practices and interviews with workers did not highlight any negative actions regarding forced labor, or child labor, or the right to freely associate. A review of personnel files indicated each employee submits an employment application or resume, and the Company reviews and submits employment eligibility documents, which includes proof of age. The Company has posted a Workplace Code of Conduct (adopted from the FLA Code of Conduct) but workers did not recall any training on the company's commitment to the FLA. [ER.16, ER.25]

Neither of the two temporary labor agencies provided evidence of a statement or policy addressing forced labor or child labor. [ER.1, ER.16, ER.25]

The local temporary labor agency did not provide evidence of a policy or statement addressing freedom of association or collective bargaining. [ER.1, ER.16, ER.25.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25)

Root Causes

1. Lack of awareness to develop policy statements or communicate the FLA Benchmarks

FLA's Recommendations for Sustainable Improvements

1. The facility and the two temporary agencies shall develop and communicate a policy statements which address Forced Labor, Child Labor and Freedom of Association and Collective Bargaining.
2. Establish a training program for both new hire orientation and annual training of these policies. Trainings should be conducted regularly.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1a. The company's Employee Handbook was updated to include the Workplace Code of Conduct that incorporates the policy on forced labor, child labor, or the right to freely associate. Completed 1/24/2020. Please see attached docs to show CoC included in handbook & communicated to all employees.

1b. Written Acceptance of job offers are received prior to providing employment eligibility documents. Additionally, the entire "Office Use Only" was removed entirely from the job application that included DOH. Refer to attached copy of new physical copy of the application. The online application can be viewed by accessing any of the company's current openings through the Careers Page of the company website. Completed 1/2/2020.

1c. There was a company wide training Aug 2019 about the company's Code of Conduct, but workers may not have realized the association with the FLA. A refresher will take place annually.

2 and 3. Temporary personnel sign a Temporary Agency Policy Addendum that includes additional policies applicable to the facility, including the updated policy (the company's Code of Conduct) addressing forced labor, child labor, FOA or CBA. Completed 1/24/2020.

Planned completion date
12/28/19

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

One of the temporary labor agency charges applicants and new hires assigned to the factory with the costs for background checks and drug tests which amounts to \$35.00 per person. The charges to applicants do not conform with local labor practices nor FLA Benchmarks. [ER.5.3, ER.6.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.5.3 and ER.6.2)

Root Causes

1. The facility does not monitor recruitment or hiring practices of temporary labor agencies.

Recommendations for Immediate Action

1. Work with the temporary labor agency to ensure that applicants are not charged for background checks or drug tests. Return the fees charged to workers who have been assigned to the facility.
2. Develop and communicate a policy to ensure workers are not charged any recruitment or hiring fees.
3. The factory shall implement a monitoring program of temporary agencies to ensure there are not such charges.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The temporary agency refunded all impacted staff for the \$35 background check fee. No fee for completion of the background check will be charged going forward. Completed 10/18/19. Please refer to the Reimbursement tracker form for the employees impacted by the refund, the date the money was refunded, and the check number.

Planned completion date
12/28/19

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

In the current employee handbook (revised September 3, 2018), the disciplinary system does not include that the worker can have a third party witness (selected by the worker) during the imposition of a disciplinary action, nor an appeal process. [ER.27]

A review of disciplinary actions identified instances in which documents lack the signatures of HR representative or list inconsistent information to support the disciplinary action. There were two instances (12/19/18 and 3/20/19) of verbal warnings for two workers that were not signed by an HR representative. Furthermore, the verbal warning for attendance dated 12/19/18 listed different dates in the description of the negative action. [ER.27]

Neither one of the two temporary labor agencies provided evidence of a system of progressive disciplinary procedures or actions. The factory has not communicated their progressive disciplinary policy to the labor agencies, and it is unknown how the factory manages any disciplinary action which may occur with temporary workers. [ER.27]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

Root Causes

Lack of awareness or implementation of FLA Benchmarks

FLA's Recommendations for Sustainable Improvements

1. Revise and update the disciplinary policy and align with FLA Benchmarks.
2. Implement consistent management review of all disciplinary actions issued.
3. Review and ensure that temporary labor agencies use or implement a progressive disciplinary system consistent with FLA Benchmarks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Employee Handbook's Disciplinary Procedures policy was updated to include the employee may elect to have a third-party witness present during the disciplinary review or appeal process. Completed 1/15/2020. Please see attached segment of handbook.

2. An audit of all disciplinary action forms in personnel files was completed by Human Resources Manager by 1/17/2020.

3. Temporary personnel sign a temporary agency policy addendum that includes additional policies applicable to this facility's workplace. The Disciplinary Procedures for temporary personnel mirror the policy of permanent/regular employees. Completed 1/17/2020. Please refer to segment of the Policy Addendum for Temp staffing agency.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The workers for the two temporary agencies record their hours of work manually or use handwritten time sheets. [ER.23] Recently the facility updated the overtime policy and communicated to workers that overtime hours are consensual. However, the online application and on-boarding documents do not reflect the new voluntary overtime policy. The voluntary overtime policy has not been communicated in writing to temporary labor agencies. [HOW.8.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.23; Hours of Work Benchmark HOW.8.2)

Root Causes

Lack of awareness by facility of the FLA Benchmarks

FLA's Recommendations for Sustainable Improvements

1. The facility must implement a system, whether mechanical or electronic, which allows a temporary labor worker to record hours of work and which can not be manipulated.
2. Communicate the voluntary overtime policy to temporary labor agencies, and ensure all internal documentation regarding hours of work is aligned.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Personnel from Temp agencies clock in/out from the facility's time clock like regular employees. Hours are emailed via system-generated report to temp agencies weekly and are not able to be altered in any way. Completed 10/22/19. See three attached time recording reports from three different temp agencies as evidence.

2. The Online application was updated to reflect new voluntary overtime policy on 11/4/19 and the paper application updated on 1/17/2020. The voluntary overtime is mentioned during the phone screens and during interviews. Additionally, the voluntary overtime policy was updated in the company's Policy Addendum for all Temporary Staffing Agencies. See attached new application and segment of Temp Agency Addendum.

Planned completion date
12/28/19

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

There is a lack of standard contract language with the respective temporary labor agencies, which specifically imparts power to the facility to pay wages directly to temporary workers. The facility does not review or validate that the labor agencies are meeting the labor law or expectations of the facility. Currently the facility has 40 temporary workers hired through the labor agencies. [ER.6.1]

The facility does not comply with Pennsylvania "at will" guidelines. If an employee wants to leave employment, the current Employee Handbook states, "we ask that he or she provide their supervisor with at least two (2) weeks advance notice of departure." (Page 71, revised September 5, 2019). [ER.32]

The local temporary labor agency did not provide evidence of an employment "at will" policy. [ER.1]

The facility's Equal Employment Opportunity policy statement listed in the employee handbook (revised September 5, 2019) lacks the following categories: political opinion, social group, ethnic origin, and union affiliation or sympathy. The facility should, for the reasons of consistency, review similar categories in the statements on Sexual Harassment (page 9), and "What you can expect" (page 12). The EEO statements for the respective temporary labor agencies also lack the same categories. [ER.3]

In the review of employee personnel files, the auditors identified in a sample of 24 files, that four (4) personnel files did not contain the documentation of performance reviews, which is part of the 90-day probation period for new hires. [ER.29]

In the review of new hire documentation, the auditors identified in a sample of 24 files, two (2) instances in which the legally required I-9 forms (which is the employment eligibility verification) were incomplete. One document did not list the first day of employment of the new hire while the second document did not list the date of birth of the new hire. [ER.1]

Local Law or Code Requirement

Pennsylvania Employment "at will" guidelines; Immigration Reform and Control Act of 1986 (IRCA); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.3, ER.6.1, ER.29, ER.32)

Root Causes

1. Lack of awareness of FLA Benchmarks; The facility has not implemented an effective review process of HR procedures.

FLA's Recommendations for Sustainable Improvements

1. Share the FLA Benchmarks in the contracts with labor agencies, and periodically review the labor agencies' practices.
2. Revise and update the "at will" statement in the employee handbook and align it with Pennsylvania employment guidelines.
3. Review and update the EEO and related statements. Also ensure that the EEO statements for respective temporary labor agencies include the same categories.
4. Monitor the new hire process for the implementation of performance reviews for all workers who have completed the 90-day probation period.
5. Monitor the new hire process to ensure the accuracy and completion of I-9s and other new hire documents.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The company shared the relevant FLA Benchmarks with the temp agency business. Additionally, an annual audit of the temp agencies and their practices will be conducted by the company, effective Jan 2020.

2. Employee handbook and company policy edited to reflect voluntary nature of request to leave the company versus "we ask." Corrected 1/14/2020. See attached photo.

3. One of the temporary labor agencies has an "At Will" statement in their Employee Handbook. Please refer to attached doc. In

addition, the company decided to terminate the vendor relationship with the second temp agency for multiple reasons as of Jan 10, 2020. Going forward, if the company were to use another temp agency, they will carefully look at the policies and employee handbook so that it includes "At Will" policy.

4. The facility's EEO policy has been updated in the Employee Handbook to include additional protected categories. Additionally, the same updated EEO policy is reflected in the company's Policy Addendum used for temporary labor agencies. See three attached documents. Completed 1/14/2020.

5. The company is conducting an ongoing audit of the 90-day Probationary reviews in all personnel files, implemented a reminder system, and will continue to monitor this going forward. Completed internal audit 11/1/2019.

6. The company conducted an audit of the personnel files to review I-9 Forms are filled out completely. The internal audit was completed 1/17/2020 and the HR team will continue to be mindful of complete documentation upon all new hires and conduct random audits of personnel files.

Planned completion date
12/28/19

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

The facility does not have an effective anonymous grievance mechanism. Currently, the Company has communicated telephone numbers and WhatsApp numbers which will direct the calls to the director of Compliance, but these methods do not support the ability to report anonymously. The Company has communicated that retaliation of any type will not be tolerated or acceptable through the employee handbook. The facility does have an online suggestion tool that allows workers to submit feedback or suggestions anonymously, but worker interviews confirmed that they saw this system as a way to provide suggestions, not submit anonymous grievances. [ER.25.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25.3)

Root Causes

1. Lack of an effective system which aligns with FLA Benchmarks

FLA's Recommendations for Sustainable Improvements

1. Provide an anonymous method to report grievances and communicate that system to all workers so that they know how and when to use the anonymous reporting method.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The facility is looking at other options for anonymous grievances, but meanwhile, gave refresher to workers that suggestions as well as complaints and grievances should be directed to the immediate supervisor so it can be resolved quickly. Should they wish to escalate issue to a member of management, they can do so. Alternatively, the Suggestion Ox platform has the option for person to be anonymous or not. Person with submission to Suggestion Ox also can request their post not be made public.

Planned completion date

12/28/19

FINDING NO.9

UNCORROBORATED RISK OF NON-COMPLIANCE

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

During worker interviews, workers raised issues of leads verbally harassing new workers. Leads are in a position between workers and supervisors. [ER.17]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.17.2)

Root Causes

1. Lack of awareness of FLA Benchmarks

FLA's Recommendations for Sustainable Improvements

1. Improve the training for all individuals who interact in a supervisory manner or act on the behalf of supervisors or managers, especially related to communication skills.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Training will be provided to all levels of employees through "L2 University" that is being rolled out early 2020.

Planned completion date

12/28/19