



COMPANY: Trends International
COUNTRY: United States
ASSESSMENT DATE: 10/07/14
MONITOR: Miriam Y Rodriguez
PRODUCTS: Paper [for paper products of any type]
PROCESSES: Full [= full package]
NUMBER OF WORKERS: 149
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: AA0000000541

FLA Comments

"FLA Comment: This report was submitted to the FLA and the FLA affiliated company by the assessor. Despite reminders, the company has failed to renew its membership with the FLA. Therefore, the report is posted in its current state without a corrective action plan. It will be updated once a corrective action plan has been submitted to and reviewed by the FLA."

What's Included in this Report

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- Score Summary
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- Findings and Action Plans
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Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Employment Functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to

the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

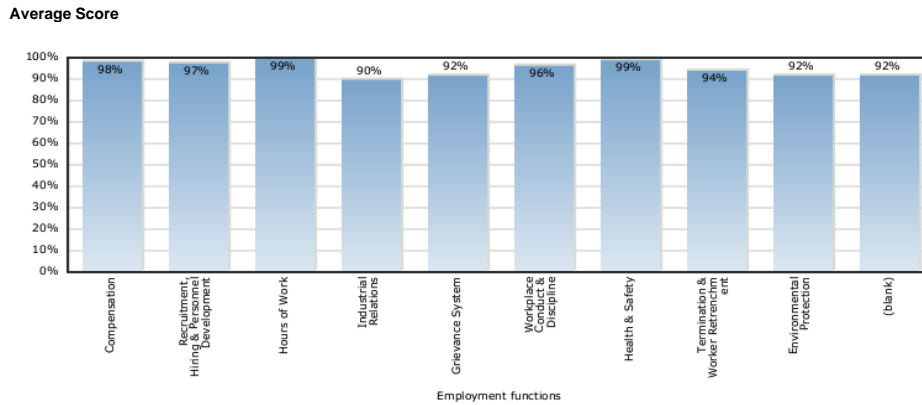
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Factory Profile

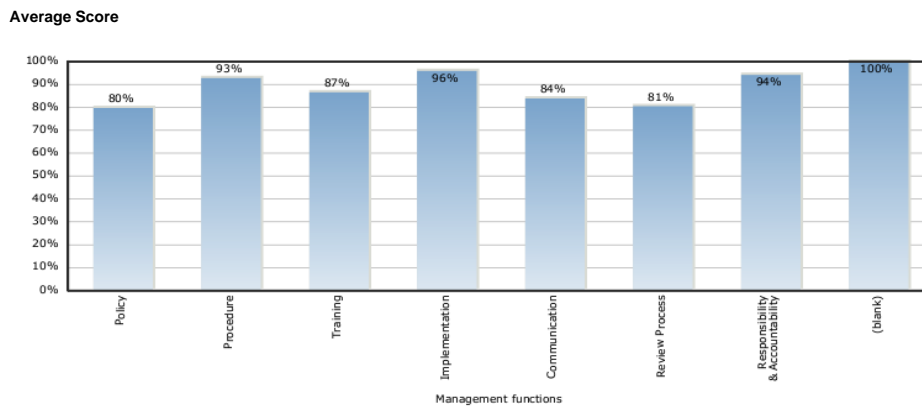
Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	90.43%	100%	100%	75%	91.67%	91.67%	91.67%	100%	58.33%
Procedure	100%	100%	100%	0%	87.5%	70%	87.5%	98.44%	80%
Responsibility & Accountability	100%	100%	100%	89%	91.75%	100%	91.75%	100%	89%
Review Process	100%	100%	100%	0%	0%	100%	75%	100%	66.67%
Training	95.45%	100%	100%	0%	50%	100%	66.67%	100%	100%
Implementation	94.26%	95.74%	97.83%	100%	87.5%	100%	100%	98.13%	90%
Communication	100%	100%	100%	0%	75%	83.33%	50%	100%	100%

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	Violations
Employment Relationship	9	<ul style="list-style-type: none"> General/Human Resource Management Systems Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training General/Documentation and Inspection Industrial Relations Work Rules and Discipline Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures

Findings and Action Plans

FINDING NO.1

POLICY AND PROCEDURE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

Facility management does not conduct supervisors' trainings on policies and procedures, and applicable legal provisions, for the following Employment Functions: Retrenchment, Grievance System, Industrial Relations and Freedom of Association, Child Labor, Discipline Practices and Environmental Management System Policies.

The factory has not developed written policies for many of the Employment Functions: Retrenchment, Grievance System, Industrial Relations and Freedom of Association, Child Labor, Discipline Practices and Environmental Management System Policies.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER19.1, ER25.1, ER.27.1, ER.30.1, and ER.32.1)

FINDING NO.2

TRAINING

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory has not developed written policies for the following Employment Functions: Retrenchment, Grievance System, Industrial Relations and Freedom of Association, Child Labor, Discipline Practices and Environmental Management System Policies.
2. Facility management does not conduct supervisors' trainings on policies and procedures, and applicable legal provisions, for the following Employment Functions: Retrenchment, Grievance System, Industrial Relations, Recruitment & Hiring (with respect to Child Labor), Workplace Conduct & Discipline; Environmental Management System.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.19.1, ER.25.1, ER.27.1, ER.30.1, and ER.32.1)

FINDING NO.3

TERMINATION AND WORKER RETRENCHMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The facility has not developed a written policy on Retrenchment or a communication mechanism regarding Termination & Retrenchment.
2. The facility has not established a confidential channel for workers to express any concerns or issues they may experience during a retrenchment process regarding legally owed wage payments.
3. Since management does not have a policy for Retrenchment in place, management does not conduct a periodic review of the policies, procedures, and implementation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.3, ER.16.1, ER.32.1)

FINDING NO.4

TRAINING

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The facility management has not developed written policies for Industrial Relations and Freedom of Association, and does not conduct supervisors' trainings on policies and procedures, and applicable legal provisions, for Industrial Relations and Freedom of Association.
2. The new hire orientation does not cover industrial relations, including the respect of the right to Freedom of Association.
3. The facility does not provide on-going training for employees on Industrial Relations or Freedom of Association.
4. The worker integration component is missing from the Industrial Relations policy, indicating that management has not established procedures to receive input/feedback on the creation, implementation, and updating of its policies and procedures on Industrial Relations.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15.1, and ER.17)

FINDING NO.5

WORKPLACE CONDUCT AND DISCIPLINE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The facility has not developed or communicated a policy on Discipline that includes the appeal process, and a third party witness during the imposition of the disciplinary action.
2. Management has omitted the Discipline Policy from the employee handbook.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27)

FINDING NO.6

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory has elements of an “open door” policy and a comment/suggestion box and based on worker interviews, workers feel comfortable talking to supervisor or management. However, the factory does not have written grievance policies or procedures. Therefore the factory does not regularly communicate and periodically review the grievance policies and procedures.
2. Management has not conducted training for workers on policies and procedures or applicable legal provisions for Grievance System.
3. The factory does not keep documentation on grievances submitted by employees.
4. The Worker Integration component is missing from the Grievance System policy indicating that management has not established procedures to receive worker's input/feedback on the creation, implementation, and updating of its policies and procedures on the Grievance System.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.16, and ER.25)

FINDING NO.7

ENVIRONMENTAL POLICY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The facility management has not developed a formal policy on Environmental Management System, with periodic review, which includes management commitment to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.
2. Since there is no formal Environmental Management System policy, the facility management has not communicated or periodically reviewed this policy.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31.3)

FINDING NO.8

IMPLEMENTATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. In 2012, Employee #2076 was contracted through a temp agency, and subsequently rolled over to full time status on company payroll; however, the seniority date for the employee is recorded to be effective from July 2013, not 2012.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.12)

FINDING NO.9

HEALTH AND SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Not all workstation in the Quality Department are adjustable to fit individual operators' stature.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.17.1)