



COMPANY: Delta Apparel, Inc
COUNTRY: Honduras
ASSESSMENT DATE: 11/19/14
MONITOR: FLA Assessor Team (Americas)
PRODUCTS: Apparel
PROCESSES: Cut, Sew
NUMBER OF WORKERS: 1053
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: AA0000000538

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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.

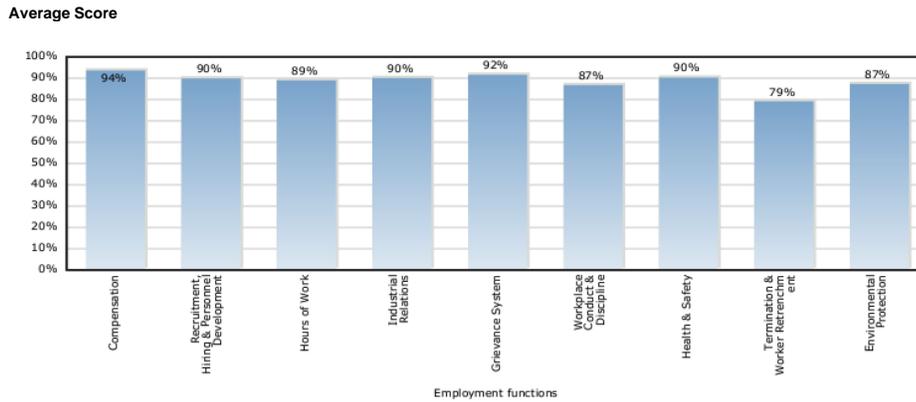
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that 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

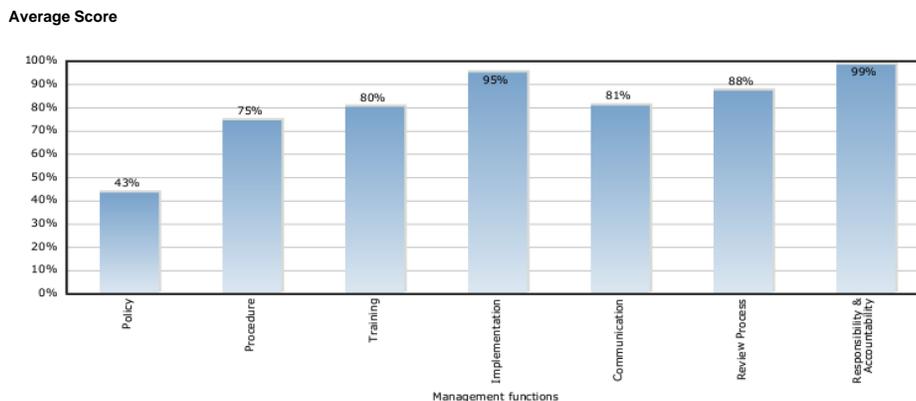
Score by Employment Function

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	51.42%	54.55%	53.33%	83.38%	63.64%	42.86%	42.31%	70%	66.67%
Procedure	81.96%	100%	77.78%	0%	77.78%	77.78%	54.76%	76.74%	70%
Responsibility & Accountability	100%	100%	100%	89%	100%	100%	100%	100%	100%
Review Process	50%	100%	100%	50%	100%	100%	75%	100%	100%
Training	75%	100%	100%	0%	75%	80%	33.33%	94%	0%
Implementation	93.45%	94.74%	92.11%	93.55%	100%	100%	100%	95.83%	94.67%
Communication	100%	100%	80%	0%	100%	83.33%	87.5%	90.63%	0%

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	8	General/Human Resource Management Systems Terms and Conditions/Contract, Contingent or Temporary Worker to Permanent Employee Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training Skills Development/Management of Performance Reviews Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures
Freedom of Association and Collective Bargaining	2	Facilities for Worker Representatives Right to Collective Bargaining/Compliance with Collective Bargaining Agreement
Hours of Work	1	General Compliance Hours of Work

Findings and Action Plans

FINDING NO.1

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Management does not have a policy for Personnel Development.
2. There are no written policies or procedures that encourage workers to undergo ongoing training to broaden their skills to advance their careers in the factory.
3. There are no written policies or procedures on performance reviews for production workers, including the steps/process for job assessment and promotional opportunities.
4. Workers do not receive written documentation that substantiates the issues covered during orientation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.15.3, ER.28.1, and ER.29.1)

Root Causes

1. The factory has concentrated policy/procedure creation efforts in other employment functions and has not seen the need to formalize these policies/procedures.
2. Management has limited awareness of the FLA Workplace Code and Benchmarks, particularly the Employment Relationship Benchmarks; information might not have been passed from headquarters.
3. Local labor laws do not mandate all the policies and procedures that are included in the FLA Workplace Code and Benchmarks.

COMPANY ACTION PLANS

1. Factory will develop a policy and procedure including performance review and career plan, the newly developed policy and procedure will be reviewed on an annual basis. This will be communicated to all personnel and will be included in the orientation process. Also will be included the training program and written information will be provided to workers. The person responsible for policy/procedure enforcement and implementation at the plant will be the H.R. Manager

Action plan status: Planned

Planned completion date: 06/30/15

FINDING NO.2

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Management has not formally assigned responsible staff for managing Industrial Relations in all areas and departments in the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.2)

Root Causes

1. Management has a basic Freedom of Association statement based on Delta Apparel's code of conduct, but it has not extended their scope to include Industrial Relations as a whole; therefore, there is no specific staff member assigned to cover this area. Industrial Relations is a relatively new Employment Function under the FLA Sustainable Compliance Initiative (SCI) methodology, which includes new standards that factories may not be familiar with.

COMPANY ACTION PLANS

1. Factory will assign a responsible person for Industrial relations and will update the new responsibility in the job description.

Action plan status: In Progress

Planned completion date: 05/30/15

Progress update: 06/12/15 : Factory has assigned the H.R. Manager as the responsible for the Industrial Relations of the Company

FINDING NO.3

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not employ the minimum number of disabled workers required by local law. Currently there are only six workers with disabilities, but based on local requirements there should be at least 31 disabled workers.

Local Law or Code Requirement

Law of Employment Promotion for People with Disability, Article 2; FLA Workplace Code (Employment Relationship Benchmark ER.1.1 and Nondiscrimination Benchmark ND.1)

Root Causes

1. People with disabilities seldom seek employment at the factory; therefore, management finds it difficult to comply with the minimum required by local law.
2. In general, the Honduran government is not proactively encouraging, preparing, or introducing people with disabilities for employment.

COMPANY ACTION PLANS

1. Company will establish communication with governmental institutions including AHM to receive assistance for participating recruiting people with disabilities and include them in to our workforce

Action plan status: In Progress

Planned completion date: 06/12/15

Progress update: 06/12/15 : Company is already in contact with some institutions

FINDING NO.4

COMPENSATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not have a legally required childcare facility on site for children below the age of seven. The legal requirement states that a childcare facility is required if there are more than 30 female workers who have children younger than seven.

Local Law or Code Requirement

Law of Equal Opportunities for Women, Article 59; Labor Code, Article 140, Section 4; FLA Workplace Code (Nondiscrimination Benchmark ND.8.1)

Root Causes

1. Traditionally, factories in the textile sector do not have areas suitable for childcare facilities, and choose to not comply with this regulation. Therefore, the responsibility often falls on the workers to find childcare services elsewhere.
2. Having a childcare facility means an additional investment in the form of hiring competent professionals to look after the children, and an increase in the factory's liabilities. Also, many businesses believe that it is the local government's responsibility to promote the creation of childcare facilities.

COMPANY ACTION PLANS

1. Factory will contact the AHM to receive orientation about the projected creation of childcare facilities as well as will establish a dialogue with Government Institutions about strategies in regards of child care facilities.

Action plan status: Planned

Planned completion date: 07/30/15

FINDING NO.5

COMPENSATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The seniority of temporary workers who have transitioned to permanent position is not dated from the first day of employment, which affects the calculation of some benefits, e.g., vacation and severance.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.12)

Root Causes

1. Human Resources staff was unaware of the specific FLA Benchmark regulating this issue, and believed that seniority should be counted from the time a permanent contract is signed.

Recommendations for Immediate Action

1. Develop a written procedure regulating the hiring of temporary workers that includes provisions for ensuring that workers' seniority is calculated from the first day of employment.
2. Provide regular training and communication to the relevant managerial staff on the newly created procedure.
3. Regularly inform workers on the applicable criteria for calculating seniority for temporary workers.

COMPANY ACTION PLANS

1. Factory will develop a procedure for temporary workers in accordance to the Honduran Labor Code and FLA Code and Benchmarks ensuring the correct calculation of seniority, such procedure will be communicated to associates in all levels of the organization.

Action plan status: Planned

Planned completion date: 06/30/15

FINDING NO.6

HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Not all workers rest the entire 30-minute lunch break, as well as morning and afternoon breaks (15 minutes each); instead, they continue working in order to reach a higher production bonus. This overtime is not registered and compensated as such, and it can add up to at least one overtime hour per week.

Local Law or Code Requirement

Labor Code, Article 326; FLA Workplace Code (Hours of Work Benchmarks HOW.1.1 and HOW.3; Compensation Benchmarks C.1, C.7, and C.7.1)

Root Causes

1. In order to reach the highest production bonus, workers prefer to continue working during the lunch break.
2. The Human Resources department and supervisors do not strictly monitor that all workers rest during the designated breaks, since they think that employees might voluntarily decide to continue working.

Recommendations for Immediate Action

1. Ensure that all workers enjoy full lunch, morning, and afternoon breaks. Otherwise, register and pay such time as overtime.

COMPANY ACTION PLANS

1. Factory will ensure that all associates enjoy the full breaks through the following mechanisms: publish in production floor the break times per module, retraining to all supervisors in the schedules and the importance for all associates to enjoy their breaks, H.R. Coordinators will monitor periodically such practice.

Action plan status: In Progress

Planned completion date: 05/29/15

Progress update: 06/12/15 : Factory published in production floor the break times per module

FINDING NO.7

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not have Industrial Relations policies and procedures regarding freedom of association.
2. There is no office space or other facilities within the workplace for union representatives.
3. There is a union with a Collective Bargaining Agreement (CBA) in place, which was signed on October 6, 2014. Clause 38 of the CBA requires an additional wage increase of 4% of the legal minimum wage during the term of the agreement, which has not been provided.
4. There is "Pacto Colectivo" (a Collective Pact) with a group of workers called "Workers' Coalition". This pact was created between management and workers some years ago and even though there is a new CBA in place, this pact is still valid. Currently, only supervisors are part of this pact. Said document barely exceed the benefits already included in the law.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, and ER.1.3; Freedom of Association Benchmarks FOA.15 and FOA.19)

Root Causes

1. Under Honduran law, a Collective Pact is a legally recognized instrument available for workers, in which both parties agree, with the purpose of negotiating better working conditions than those already required by law. Even when legally allowed, this type of agreements might prevent workers from exercising their freedom of association rights and collective bargaining. In this particular case, the factory and workers had signed a Collective Pact before the union was formed and registered. Considering the fact that a valid CBA has been negotiated and signed between the management and union, the Collective Pact is obsolete. In fact, all workers, with the exception of supervisory positions, are covered by the current CBA. Given the fact that the union has assumed worker representation and the CBA is the legal instrument for regulating the working conditions within the factory, the Collective Pact no longer serves a purpose.
2. Factory management is not fully aware of the FLA Compliance Benchmarks regarding Freedom of Association and Industrial Relations.
3. The factory has not experienced any recent/relevant "labor relations" situations, so they do not see the need for developing Industrial Relations policies and procedures.
4. There is a disagreement between management and union/federation on how the clause 38 of the CBA should be interpreted and implemented. The union interprets that the wage increase should take effect immediately upon validation of the CBA whereas management insists that the wage increase to take effect early 2015, with the next legal minimum wage revision.

COMPANY ACTION PLANS

1. 1) Factory will retrain all associates about the FLA Workplace Code and benchmarks. 2) It was agreed with the Union during the CBA negotiation that Company will provide them with a space in a common area at the workplace to publish their communications. 6) Will develop and implement an Industrial Relations Policy and Procedure as well as provide training to all associates by the H.R. Manager. 4, 5) Factory will review with their legal advisor the application of this clause as well as if a procedure to invalidate the Pacto exists .

Action plan status: Planned

Planned completion date: 07/31/15

FINDING NO.8

WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Workers do not receive a copy of the workplace rules during orientation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.15.3)

Root Causes

1. According to factory management, it is sufficient to hold brief discussions about the workplace rules with new hires and that there is no need for printed copies.

COMPANY ACTION PLANS

1. Factory will create a document to provide information about the workplace rules and deliver it to associates at all levels as well as provide training to them on the disciplinary system which is included in the current CBA.

Action plan status: In Progress

Planned completion date: 06/30/15

Progress update: 06/12/15 : Factory is working on the document related to the workplace rules

FINDING NO.9

HEALTH, SAFETY & ENVIRONMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory's environmental protection policies do not include a statement of the management's commitment to minimize the impact of energy, water, waste, and hazardous materials.
2. There are no procedures that enable workers to raise environmental concerns and include protections against retaliation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.2.4, ER.31.2.6, and ER.31.3)

Root Causes

1. The factory's environmental procedures have not been aligned with the specific requirements for environmental protection procedures in the revised FLA Workplace Code and Benchmarks.
2. Based on observation of the production process and review of the environmental permit issued by the local authority, the factory's production process results in minor environmental impact. This is partly why the factory has not considered developing a procedure for workers to report environmental concerns.

COMPANY ACTION PLANS

- 1) Factory will review the environmental policy including the commitment to minimize the impact of energy, water, etc. 2) Factory will develop a procedure to raise environmental concerns from associates. 3) Training on the newly created procedure to raise environmental concerns and revised policy will be provided to associates.

Action plan status: Planned

Planned completion date: 07/30/15

FINDING NO.10

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Emergency lights #46 and 47 do not function.
2. The emergency exits in canteens #1 and 2 are not properly marked and equipped with emergency lights. Furthermore, the continuation of emergency exit #11 does not have emergency lights.

Local Law or Code Requirement

General Regulations on Preventive Measures of Accidents and Illness at the Workplace, Articles 208 and 227; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.5.1)

Root Causes

1. There are broken batteries and faulty connections in the non-functioning emergency lights.
2. In order to exit in an emergency, workers have to go through the canteen. Management did not realize the last door connecting to the outside should be marked as an emergency exit.

Recommendations for Immediate Action

1. Fix emergency lights #46 and 47.
2. Equip emergency exits in canteens #1 and 2, including the continuation of emergency exit #11, with emergency lights and markings

COMPANY ACTION PLANS

1. Current check list will be reviewed and factory will continue conducting regular inspections of emergency lights.

Action plan status: In Progress

Planned completion date: 05/22/15

Progress update: 06/12/15 : Factory changed the emergency lights 46 and 47, the exits signs were posted at the canteen doors.

FINDING NO.11

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The maximum load to be lifted by the forklift and the safety instructions for the usage of the eyewash station are in English, and not the workers' local language (Spanish).
2. The sign requiring personal protective equipment (PPE) in the compressor area is not painted, as is legally required.

Local Law or Code Requirement

Labor Code, Article 16; General Regulations on Preventive Measures of Accidents and Illness at the Workplace, Article 230; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.2)

Root Causes

1. Instructions for the use of the forklift and eyewash station were originally in English, and factory management did not see

- the need for translation.
2. Since no one continuously works inside the compressor area, the factory posted a sign which was easy to obtain, and did not consider the legal color requirement.

Recommendations for Immediate Action

1. Ensure that all instructions and announcements are posted in the workers' local language.
2. Paint the sign requiring the use of PPE in the compressor area with the legally required colors.

COMPANY ACTION PLANS

1. 1) Factory will ensure that all signs are posted in local language and will conduct periodic reviews involving the H&S committee

Action plan status:	In Progress
Planned completion date:	05/29/15
Progress update:	06/12/15 : Factory updated the signs in local language as well as the format for the reviews

FINDING NO.12

WORKER INTEGRATION (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The Worker Integration component is missing from all Employment Functions. The factory does not have policies and procedures to receive worker input/feedback on the creation, implementation, and revision of its policies and procedures. Also, workers are neither systematically integrated nor consulted in the decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

Root Causes

1. Top-down communication without incorporating worker feedback is the cultural norm in the region. Normally, senior management administers all policy and decision-making with headquarters' approval, and without worker input.

Recommendations for Immediate Action

1. Establish policies and procedures enabling workers to consult with, and provide input to, management.
2. Train all workers, supervisors, and managers on the newly created worker integration policies and procedures.
3. Designate staff from the HR Department and/or a Compliance Manager with responsibility for implementing the worker integration policies and procedures within five months.

COMPANY ACTION PLANS

1. Company will develop a worker integration procedure and will implement through training provided by the H.R. Manager to associates at all levels in the organization.

Action plan status:	Planned
Planned completion date:	07/30/15

FINDING NO.13

TRAINING (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Workers are not provided ongoing training for the following Employment Functions: Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct/Discipline, Grievance System and Environmental Protection.
2. The factory does not provide specific training for supervisors on Personnel Development, Termination & Retrenchment, Industrial Relations and Environmental Protection.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.2, ER.17.1, and ER.17.3)

Root Causes

1. Most of the factory's training efforts are focused on other areas, such as Compensation and Health & Safety, with little attention paid to Personnel Development and Termination & Retrenchment.

COMPANY ACTION PLANS

1. Factory will provide training to all associate in the different employment functions such as: Personnel Development, Termination and Retrenchment, Industrial Relations, Workplace Code and Discipline, Grievance System and will establish periodic retrainings. This will be implemented through the H.R. Manager

Action plan status: Planned

Planned completion date: 07/31/15

FINDING NO.14

COMMUNICATION (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Workers do not receive ongoing or regular communication on Termination & Retrenchment, Industrial Relations, and Environmental Protection.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.2)

Root Causes

1. The FLA's new Employment Relationship Benchmarks include Communication as a Management Function, which is a relatively new requirement for companies and their supplier base.
2. Management does not see the need for ongoing and periodic communication with the workforce, besides orientation/induction and some sporadic training activities.
3. Most of the factory's communication efforts are focused on other areas such as Compensation and Health & Safety; with little attention paid to Termination & Retrenchment, Industrial Relations and Environmental Protection.

COMPANY ACTION PLANS

1. Factory will communicate to all associates information about termination and retrenchment, industrial relations and environmental protection and will designate a staff member responsible for implementing communication efforts.

Action plan status: In Progress

Planned completion date: 07/31/15

Progress update:

06/12/15 : Factory assigned the H.R. Manager for communicating and implementing the plan.

FINDING NO.15

REVIEW PROCESS (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There is no review process for policies and procedures on Retrenchment and Industrial Relations.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1.1, and ER.30.2)

Root Causes

1. Since the factory does not have policies and procedures for some Employment Functions, there is no review/update process either.

COMPANY ACTION PLANS

1. Factory will develop a policies and procedures on employment functions: Retrenchment and Industrial relations, also will be developed a procedure to review and update the policies and procedures on an annual basis. 2) Will designate a staff member responsible for the review and keep the documentation

Action plan status: In Progress

Planned completion date: 05/30/15

Progress update: 06/12/15 : Factory assigned the H.R. Manager as responsible for the review and update of the policies and procedures