



COMPANY: **Under Armour, Inc.**
COUNTRY: **Singapore**
ASSESSMENT DATE: **11/24/14**
MONITOR: **Donny Triwandhani**
PRODUCTS: **Apparel**
PROCESSES: **Full [= full package]**
NUMBER OF WORKERS: **2940**
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: **AA0000000554**

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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.

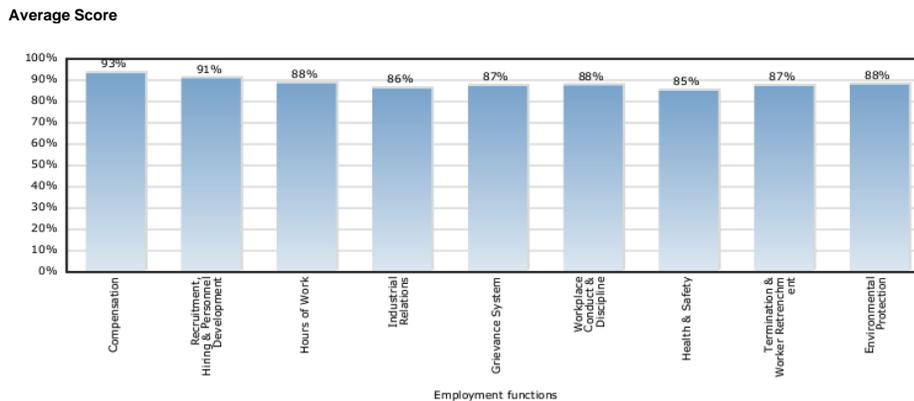
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that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

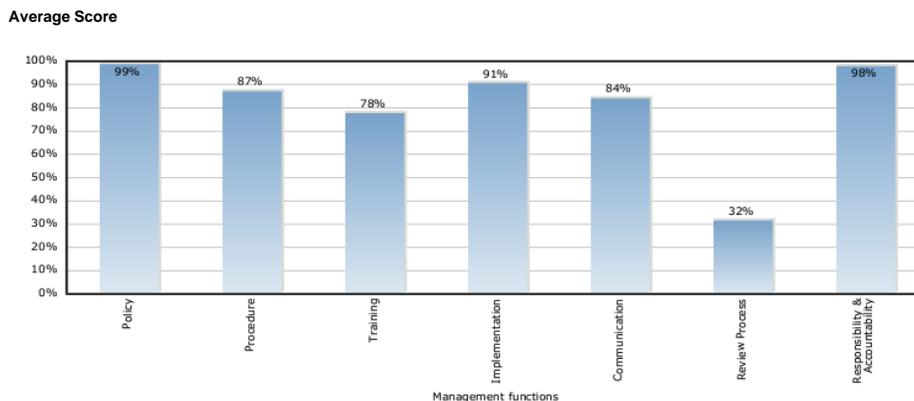
Score by Employment Function

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	100%	100%	100%	91.75%	100%	100%	100%	100%	100%
Procedure	100%	100%	100%	100%	100%	83.33%	100%	78.13%	50%
Responsibility & Accountability	91.67%	87.5%	91.67%	83.33%	87.5%	87.5%	87.5%	83.33%	83.33%
Review Process	0%	0%	0%	0%	0%	0%	0%	100%	100%
Training	95.83%	100%	100%	50%	100%	75%	66.67%	45.45%	75%
Implementation	93.54%	97.92%	82.14%	90%	75%	90%	100%	89.38%	85%
Communication	83.33%	100%	100%	0%	75%	100%	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	11	General/Human Resource Management Systems Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training General/Documentation and Inspection Administration of Hours/Time Recording System Industrial Relations Work Rules and Discipline Skills Development/Promotion, Demotion and Job Reassignment Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures
Hours of Work	2	General Compliance Hours of Work Rest Day
Health, Safety and Environment	9	General Compliance Health, Safety, and Environment Protection Reproductive Health Machinery Safety, Maintenance and Workers Training Proper Use of Machinery Ergonomics Dormitories Separate From Production Facilities Notification and Record Maintenance Evacuation Requirements and Procedure Use of Personal Protective Equipment
Non-Discrimination	1	Protection and Accommodation of Pregnant Workers and New Mothers

Findings and Action Plans

FINDING NO.1

HEALTH, SAFETY & ENVIRONMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not manage its environmental impact on its surroundings. Since the factory does not measure its impact, it is not possible to verify whether its operations generate any negative environmental impacts.

2. The factory does not have a system to respond to unexpected environmental emergencies, such as a chemical spill or gas leak.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.2.1 and ER.31.2.5)

COMPANY ACTION PLANS

1. Management to develop an environmental management system to include the framework to measure its impact to the environment. For example, the framework will include: a/ management's responsibilities; b/ workers' rights and duties; c/ responsibilities of designated personnel; d/ procedures that would enable workers to raise health, safety and environmental concerns; e/ the creation of procedures for reporting environmental emergencies, e.g. chemical spills, gas leaks, unregulated/undetermined air emissions, etc.; and f/ protection to workers who allege or report environmental violations and/or concerns;
2. Management to review current environmental policy and ensure that it includes commitment to minimizing environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and any other significant risks based on factory's operation and production;
3. Management to ensure an ongoing training and communication of its environmental policy and procedures to all workers on each shift when applicable;
4. Assign someone responsible for the implementation/enforcement of the environmental policy and procedures;
5. Management to ensure an ongoing review and update of its policy and procedures based on Under Armour current and future standards/ FLA codes and benchmarks; including updates based on local regulations.

Action plan status: Planned

Planned completion date: 10/01/15

FINDING NO.2

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not conduct any fire risk assessments.
2. The first aid team is not included in the fire-fighting team; therefore, there is no person responsible for treating injuries.
3. The factory does not track worker illnesses.
4. Workers and management staff use the cargo elevator. There was no "only for goods" sign and safety instructions posted at the elevator.
5. The evacuation lines in production areas on the 1st, 4th and 6th floors are faded.
6. Finished goods and embroidery machines are blocking the evacuation line in the packing and finished goods areas on the 5th floor, and embroidery area on 1st floor.
7. There is no written procedure for electrical safety. The management stated that a third party handles electrical maintenance.

Local Law or Code Requirement

Workplace Health and Safety (General Provisions) Regulation (2006), Article 38(1); FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.5.1, HSE.6.2, and HSE.14.3)

Recommendations for Immediate Action

1. Ensure that evacuation lines are clearly visible and are not blocked.

COMPANY ACTION PLANS

1. Immediate Action Required:

1. Management to mark with evacuation passages, walkways and lanes with both yellow, photoluminescent/reflective: a) aisle borders and b) arrows (on floors and possibly, also on walls) marking the direction of travel to the nearest exit in all production areas, including, in particular those on floors: i) 1st ii) 4th and iii) 6th. (Please submit to us photographs of these

- areas; a) before and b) after you have added both a) aisle border markings and b) arrows;
2. Ensure that all evacuation routes, passageways or aisles are clearly visible and unblocked in all production and management areas at all times. Management must identify the team of personnel (identify the team of workers and managers) who will draft and effectively implement written procedures (including frequent daily documented inspections, with identified personnel (by workers elected/selected by their co-workers) and managers on each shift and in each work area who are assigned this responsibility) sufficient to ensure that from now on emergency routes, aisles, passageways, remain unblocked (even partially) including by implementing systems and controls such as frequent daily documented inspections in order to comply with applicable laws. Newly created team will be initially tasked to ensure embroidery machines (1st floor) and finished goods (5th floor) do not block any evacuation route. Management to submit before and after photographs;
 3. Management to assign trained and/or certified first aid staff to the firefighting team, so that there are first aid staff responsible for treating injuries during emergencies;
 4. Management to post "safe operation" instructions (in local language and language spoken by workers, if different) at the cargo elevator; including a visible sign "FOR CARGO ONLY, NO PASSANGERS" consistent with local regulations in terms of content and size.

Please send Under Armour's Sustainability staff supportive documentation, e.g. photos, procedures, inspection reports, etc.

Action plan status: Planned

Planned completion date: 08/04/15

2. Sustainable Improvement Required:

1. Management to conduct a fire risk assessment led by a competent fire risk assessor as outlined by (SFPE) Engineering Guide to Fire Risk Assessment. Selected candidate must possess the required proficiency to assess fire risks and combination of knowledge, experience, skills and extensive understanding of workplace environment and production process;
2. Management to engage a licensed/credentialed electrical safety expert to write an electrical safety written procedure. Management must have the expert conduct documented training with managers and workers about the new procedure. Summaries and copies of the procedure must be posted/provided in the factory and to workers and managers in their primary languages;
3. Management is to develop a system to track worker illnesses and notify relevant national and/or local authorities as required by applicable laws. Please maintain relevant documentation on site for at least one year, or longer if required by law;
4. Management to train –on an ongoing basis- all factory electricians or workers that work with electricity; including mechanics, maintenance staff, etc. on electrical safety procedures.

Action plan status: Planned

Planned completion date: 09/04/15

FINDING NO.3

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not conduct specific workplace safety training for employees with special responsibilities. Moreover, no maintenance safety training is conducted for maintenance staff.
2. The first aid team is not included in emergency preparedness training. Therefore, there is no guarantee that they could effectively fulfill their responsibilities during an emergency situation.
3. Safety instructions are not posted near machines.
4. The factory does not provide lifting belts to workers who are loading goods.

Local Law or Code Requirement

Workplace Health and Safety Act (2006), Articles 12(3)(d) - (e); FLA Workplace Code (Employment Relationship Benchmark ER.17; Health, Safety & Environment Benchmarks HSE.6.2, HSE.8, HSE.14.2, HSE.14.3, and HSE.17.2)

Recommendations for Immediate Action

1. Post safety instructions near machines.

2. Provide lifting belts to workers who load goods.

COMPANY ACTION PLANS

1. Immediate Action Required:

1. Management to post safety instructions near to all industrial machines or readily accessible to workers in language(s) spoken by workers;
2. Management to train workers in proper and safe use of machinery, equipment and tools;
3. Management to train workers –based on their duties/responsibilities- on proper lifting techniques to avoid back problems and/or acute injuries and potential chronic effects. Lifting techniques should include, but not limited, to the following steps: a/ planning ahead before lifting; b/ lifting close to body; c/ feet shoulder width apart; d/ knees bent while keeping back straight; e/ tightening stomach muscles; and f/ lifting with legs. Consider providing lifting belts, training in their use and posting reminder instructions in applicable languages as needed;
4. Management to assign emergency preparedness trained and/or certified first aid staff to the firefighting team, so that there are first aid staff responsible for treating injuries during emergencies. Training attendance list, certificates and documentation must be kept on file on site.
Please send Under Armour's Sustainability staff supportive documentation, e.g. photos, training material, etc.

Action plan status: Planned

Planned completion date: 08/04/15

2. Sustainable Improvement Required:

1. Management to develop and implement procedures to deal with emergencies that may arise while workers are at work and ensure they have adequate instruction, information, training and supervision as is necessary for them to carry out their work.

Action plan status: Planned

Planned completion date: 08/31/15

3. 2. Management to develop an ongoing training plan to ensure maintenance staff is aware of the newly created emergency procedures.

Action plan status: Planned

Planned completion date: 08/13/15

FINDING NO.4

HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not have measures to protect the reproductive health of employees through minimizing exposure to workplace hazards.
2. The factory has one seven story building, of which four floors are used for production processes, two floors for offices, and one floor for the female workers' dormitory. The dormitory is located on the top floor of the building. Emergency access and general access for the dormitory is same as the production areas. There is no separate access for work-days, weekends, or holidays. The workers work and live in the same building.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.12, and HSE. 26; Nondiscrimination Benchmark ND.8)

COMPANY ACTION PLANS

1. Immediate Action Required:

Management to relocate workers' dormitory at the top of the seven story building away or separately from production, warehouse and hazardous chemical storage areas.

Action plan status: Planned

Planned completion date: 08/31/15

2. Sustainable Improvement Required:

1. Management to ensure women are not employed in work positions that constitute a substantial risk to their reproductive health, e.g. workers exposed to radiation, hazardous materials, physical agents, etc. As a first step, management to assess and identify which job positions pose a risk to women's reproductive health and develop procedures to ensure women are not assigned to those positions. This assessment will include a comprehensive review of workplace exposure conditions for those jobs with declared pregnancy or who are otherwise concerned. In the case of chemicals, please refer to MSDS, and if, limited information is available, please consult the International Chemical Safety Cards or refer to the National Institute for Occupational Safety and Health (NIOSH) section on the effects of workplace hazards on female reproductive health: <http://www.cdc.gov/niosh/docs/99-104/>

2. Assign someone responsible for developing/implementing the review process or assessment, procedures and measures to be taken.

Action plan status: Planned

Planned completion date: 09/17/15

FINDING NO.5

TRAINING (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not provide supervisors and managerial staff with specific training on following Employment Functions: Industrial Relations, Workplace Conduct & Discipline, Health & Safety (particularly workplace safety and maintenance safety), and Environmental Protection.
2. The factory does not provide ongoing training on following Employment Functions: Industrial Relations, Retrenchment, and Health & Safety. Regarding training on Health & Safety, documents showed that the last training was conducted on March 11, 2014 and March 17, 2014. However, interviews with workers and the compliance team revealed that these were only short briefings given on the production floor and the workers were unable to recall any of the topics covered.
3. The factory provides workers with a very short (30-min long) orientation briefing. This briefing does not communicate adequate information to workers regarding FLA Workplace Code, Company Code of Conduct, working hours, worker's entitlements, benefits, employee handbook, health & safety, and company policies. Interviewed employees were unable to recall any of the training topics.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15.1, ER.15.2, ER.16.1, ER.27, and ER.32)

COMPANY ACTION PLANS

1. Sustainable Improvement Required:

1. Create and implement an ongoing comprehensive training program based on the key Employment Functions. Provide training on all policies and procedures for Industrial Relations, Workplace Conduct and Discipline, Health & Safety (particularly on workplace safety and maintenance staff), and Environmental Protection (see FLA Benchmarks).
2. Establish mandatory training for all employees within the factory, including administrative staff, supervisors, and managers.
3. Designate properly credentialed/experienced/knowledgeable compliance staff (or engage 3rd party expert/firm) responsible for the implementation of the training program.

4. Enhance new worker orientation briefings by including more information about Under Armour/ FLA Codes and benchmarks and more specific information about factory's working hours, terms and conditions; including wages and benefits, health and safety policy and procedures, an overview of employee handbook and other factory policies.

Action plan status: Planned

Planned completion date: 09/30/15

FINDING NO.6

REVIEW PROCESS (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory has not developed policies and procedures for a review process, to ensure updates are made according to local law and FLA Workplace Code requirements. As a result, the factory has not conducted internal review of the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System.
2. The factory does not conduct annual performance reviews for all employees.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1, ER.30.2, and ER.31.2)

COMPANY ACTION PLANS

1. Sustainable Improvement Required:
 1. Management to establish a regular policy and procedures review, update and approval process according to changes/updates in local regulations; including Under Armour/FLA Codes and compliance benchmark most current requirements. Initially, start the review process for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System.
 2. Management to designate a management and HR management members to be responsible for the regular review process. Designated staff member (the process owner) is to document the process, track changes, collect feedback, and create workflows in collaboration with all persons involved.
 3. Maintain documentation on any review/update of the factory's policies and procedures.

Action plan status: Planned

Planned completion date: 09/17/15

FINDING NO.7

HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Based on the time records, daily working hours (up to 12.5 hours), weekly working hours (61 to 78.5 hours), and monthly overtime hours exceeded the legal limit (up to 118.50 hours) in May, June, and July 2014 for approximately 60% of workers from the sewing, embroidery, and packing sections.
2. Approximately 60% of workers from the sewing, embroidery and packing sections worked 13 to 31 consecutive days without a rest day in May, June, and July 2014.
3. Due to the practice of manually adjusting time records, it was not possible to fully verify the accuracy of workers' working hour:
 - a) Time records did not reflect the actual time when the workers left the factory for personal reasons or illness. The payroll staff adjusts the leaving time to 17:30, even when the workers leave before 17:30. While this

- practice benefits the workers, it shows that the time records do not reflect the actual hours worked.
- b) There is uniform time-in and time-out records on the printed time records for Sunday/public holiday work, such as 8:30 for time-in and 16:00 for time-out. Workers do not use the time recording system for overtime on Sundays and public holidays. Instead, payroll staff manually inputs workers' time-in and time-out for Sunday and public holiday work.

Local Law or Code Requirement

Employment Act of Singapore (1968), Articles 36(1) and 38 (5); FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.2, and ER.23.5; Hours of Work Benchmarks HOW.1.3 and HOW.2)

Recommendations for Immediate Action

1. Ensure that total weekly hours do not exceed the 60 hours limit.
2. Ensure all employees are provided with one day off in every seven-day working period.
3. Ensure that all working hours are accurately recorded.
4. Ensure that employees use the time recording system when they work on Sundays and public holidays.
5. FLA affiliate Company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
 - a) How to provide better order forecasts to the factories;
 - b) Possible workshops/consultancy for the factory on how to improve productivity/quality;
 - c) Clear guidelines on how to extend shipment deadlines in case of contingencies;
 - d) Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
 - e) Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
 - f) Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

COMPANY ACTION PLANS

1. Immediate Action Required:

1. Management to commit to a total weekly hours that do not exceed the 60 hours work limit.
2. Management to ensure all employees are provided with one day off in every seven-day working period, with no exception.
3. Management to ensure that all working hours are accurately documented and recorded.
4. Management to ensure that employees use the time recording system when they work on Sundays and public holidays.

Action plan status: Planned

Planned completion date: 08/04/15

2. Sustainable Improvement Required:

Under Armour and in collaboration with factory management is to: a) implement FLA Principles of Fair Labor and Responsible Sourcing, and b) accordingly coordinate on the topics mentioned below to help the management to address its excessive hours issues:

- 1) Jointly work on how to provide better order forecasts;
- 2) Consider the possibility to participate in workshops/consultancy for the factory on how to improve productivity/quality;
- 3) Jointly develop clear guidelines on how to extend shipment deadlines in case of contingencies;
- 4) The creation of steps that management must follow if overtime is inevitable (steps for how to communicate with Under Armour's Sourcing and Sustainability teams and other customers);
- 5) Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks; and
- 6) Developing clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

Action plan status: Planned

Planned completion date: 09/30/15

WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory's disciplinary policy does not provide for the following: a) to inform workers when a disciplinary procedure is initiated against them, b) workers' right to participate and be heard in any disciplinary procedure against them, and c) the retention of disciplinary records in the workers' personnel files.
2. The factory's internal regulations do not adequately define disciplinary rules, and do not include details of misconduct.
3. There is no training on workplace conduct for relevant human resources personnel and administrative staff.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.27)

COMPANY ACTION PLANS

1. Sustainable Improvement Required:

1. Factory management is to enhance and/or add its Workplace Conduct & Discipline written policy and procedures to include: a/ disciplinary rules, b/prohibited behaviors; and b/ a process to inform workers when a disciplinary process has been initiated against them, workers' right to participate and be heard in any disciplinary process against them and a require to maintain disciplinary records in workers' personal files.
2. Management to provide workers, particularly during orientation, with a copy of the workplace rules and related (above) policy and procedures.
3. Regularly train all workers, supervisors, and those in managerial positions on applicable rules related to the disciplinary system and more specifically the worker appeal process. This must be documented, with materials in primary languages, with attendance sheets and training materials kept on site on file.
4. Periodically verify that Workplace Conduct & Discipline policy and procedures are being implemented as intended and properly documented.

Action plan status: Planned

Planned completion date: 09/30/15

FINDING NO.9

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory does not have policies and procedures on Industrial Relations.
2. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. On that note, there is no workers' committee or a worker representative body at the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25.2)

COMPANY ACTION PLANS

1. Sustainable Improvement Required:

1. Management to develop and implement an Industrial Relations policy and procedures based on Under Armour and FLA Workplace Code and Benchmarks that: a) include a commitment to freedom of association and b) enable workers to consult with and provide input to management through the existing structures and mechanisms; and c) a commitment to ensure the

prevention of discrimination, interference and anti-union violence.

2. Management to/or engage a 3rd party expert to train all workers and those in supervisory and managerial positions regularly on the newly-created Industrial Relations policy and procedures. Include this training in the new hire orientation.

3. Designate someone responsible of overseeing the proper implementation and enforcement of the Industrial Relations policy and procedures.

4. Management to establish a formal written process that would result in workers being consulted during the creation, review and update of policies and procedures at the factory. Furthermore, management to ensure workers, supervisors, and managers are aware of the workers' integration process.

Action plan status: Planned

Planned completion date: 10/04/15

FINDING NO.10

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There are suggestion boxes available in the building; however, there are no grievance records maintained and available for review.
2. The factory only occasionally communicates grievance policies and procedures to the general workforce.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

1. Sustainable Improvement Required:

1. Management to develop a communication strategy to ensure all workers are aware of the grievance policy and procedures.
2. Management to ensure workers can submit grievances through text and social media messages, email, free of charge phone calls, hotline to senior management staff.
3. Consider communicating the grievance policy and procedures through internal communication channels, such as, loud speakers or PA system, bulletin boards, flyers, worker induction, etc.
4. Provide ongoing training about the different grievance channels available to all workers, supervisors, and managerial staff
5. Designate staff responsible for Grievance System enforcement and/or implementation.
6. Periodically analyze whether the grievance system is being implemented as intended. Metrics would include: nature of grievances, types, reasons, frequency, resolutions, etc.

Action plan status: Planned

Planned completion date: 09/30/15