

INNOVATION LINE EVT-US-4IMP-173500

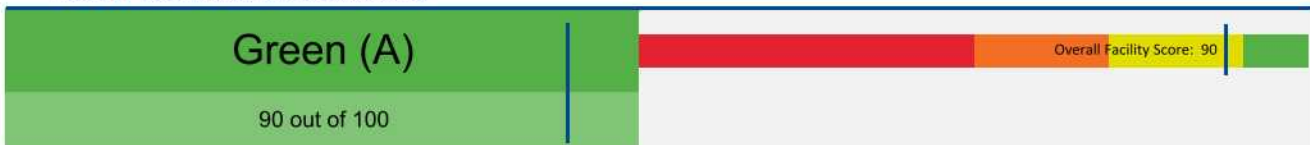
FACILITY INFORMATION

Report #:	EVT-US-4IMP-173500	City:	Los Angeles
Assessment Date:	August 16, 2021 - August 18, 2021	Country:	United States of America
Last Assessment:	N/A	Assessors:	Sebastian Fregoso, Yunuen Vazquez (S)
Assessment Type:	ERSA Remote	Service Provider:	ELEVATE
Schedule Type:	Announced		

ASSESSMENT SCOPE AND COVERAGE

It is not designed to cover all areas of an onsite social assessments. Some areas are out of the scope of this remote assessment, whereas others are covered	
Out of Scope	Subcontracting, Homework
Limited Coverage	Transparency & Business Integrity, Forced Labor, Harassment & Abuse, Freedom of Association & Grievance, Young Workers & Child Labor, Discrimination, Foreign Migrant Workers, Environment, Health and Safety
Decent Coverage	Management System, Hiring, Disciplinary & Termination Wages & Benefits, Hours of Work

FACILITY SCORE AND BENCHMARKING



Section	Total Findings	Critical	Major	Moderate	Minor
1. Transparency & Business Integrity	0	0	0	0	0
2. Management System	0	0	0	0	0
3. Hiring, Disciplinary & Termination	0	0	0	0	0
4. Young Worker & Child Labor	0	0	0	0	0
5. Forced Labor and Human Trafficking	0	0	0	0	0
6. Harassment & Abuse	0	0	0	0	0
7. Discrimination	0	0	0	0	0
8. Freedom of Association & Grievance	1	0	1	0	0
9. Foreign Migrant Labor	0	0	0	0	0
10. Wages & Benefits	0	0	0	0	0
11. Hours of Work	0	0	0	0	0
12. Health & Safety	1	0	1	0	0
13. Environment	0	0	0	0	0
14. Subcontracting	0	0	0	0	0
15. Homework	0	0	0	0	0

DISCLAIMER

Disclaimer: This report and any other attachments (hereinafter "Product") is for the exclusive use of the intended recipient ("Client"). Under no circumstances should this Product or information contained herein be distributed or reproduced in any form without the prior consent of the copyright holder. This report is generated from desktop analysis and remote virtual verifications; it should not be seen as a full scope on-site social compliance assessment. All recommendations, where given, are for the purpose of providing indicative advice only and relate solely to identifying evident key risks and obvious improvements, and do not take the form or constitute a complete solution to any compliance issue. ELEVATE has no obligation to maintain, update or correct the Product except as otherwise expressly agreed in writing. ELEVATE's Standard Terms and Conditions of Business ("Terms and Conditions") remain in effect, and ELEVATE accepts no responsibility or liability except as otherwise expressly set forth in the Terms and Conditions.

INNOVATION LINE**EVT-US-4IMP-173500****CRITICAL / MAJOR FINDINGS**

Major: During the facility tour, it was noted that the facility does not count with a grievance mechanism such as suggestion boxes, latter on during the audit process it was confirmed with the Management Interview that there are no procedures nor mechanisms implemented to follow up with any confidential grievance such as a hotline, email or any kind of written procedure regarding this topic.

Major: During the facility tour it was observed that in the site called Bethoven, the Chemical Storage Area is not properly equipped with fire extinguishers and the closer extinguisher was far from what the Local Law requires.

BEST PRACTICES

1.1. The facility has its own code of ethical business conduct. The code of ethical business conduct has been well communicated and implemented both internally and externally to its supplier chain.

1.2. The facility provides regular trainings to managers and suppliers on code of ethical business conduct and shares best practices down their supply chain.

1.3. The facility is open to assessor and willing to provide their records and discuss challenges with fully transparency.

2.1. The facility establishes and implements a system to identify and assess potential risks (gaps in business processes) that could lead to noncompliance.

2.2. The facility establishes annual objectives, targets and improvement plans to improve their social compliance performance; periodic assessments and reviews are in place.

2.3. There are appropriate written records (correspondence, reports, meeting minutes, etc.) of regular management review of social compliance systems.

3.1. The facility adopts a progressive and incentive employee disciplinary system.

3.2. The facility provides appropriate training to all employees on disciplinary policies and procedures; the trainings conducted are in a format that considers the different learning style, background, and education level of workers.

4.1. The facility adopts ID reader or other intelligent ID checking system to verify workers' age at time of recruitment.

5.1. The facility provides safe lockers for employees to store their personal identification documents and valuables.

5.2. The facility has a written set of policy and procedures for its labour agents prohibiting of forced and compulsory labour.

6.1 The facility provides appropriate training to management and workers on harassment and abuse.

6.2 The security guards at the facility are not authorized to impose disciplinary actions against workers.

7.1 The facility has developed and provides non-discrimination and cultural sensitivity education for all employees, addressing the importance of treating all people equally.

7.2 The facility hires disabled people and makes the appropriate adjustment for access to, and around the facility.

7.3 The facility organizes social actives or integration events that contribute to bringing unity among employees from different social classes or cultural backgrounds.

8.1. The facility actively seeks ideas for improvement through regular communication system/suggestion boxes, and exit interviews.

8.2. Regular employee satisfactory surveys are performed to measure employee morale and identify improvement opportunities at the facility.

8.3. Both formal and informal feedback meetings are held regularly between managements and workers to discuss issues and ask suggestions for improvements.

8.4. The management of the facility ensures that contract workers are represented on worker committees.

9.1. The facility hires foreign migrant workers directly without the use of labour agency.

9.3. The management of the facility meets regularly with its labour providers or agencies to work collaboratively to improve the quality of service to workers.

9.4. The facility has assigned onsite coordinator or management staff who is fluent in the language of foreign migrant workers for better communicating and managing foreign migrant worker disciplinary and complaint.

9.5. The facility works with other labour agents in their region to share information on agencies and labour providers.

10.1. The facility has a system in place to progressively improve the wages of workers; e.g. productivity improvement initiatives that enhance workers' efficiencies, and applying the savings towards wages and worker incentives.

11.1. The facility has a system in place to reduce the number of overtime needed; e.g. improving workers skills through training; mentoring and coaching so that mistakes and reworks does not lead to overtime; managing production flows to avoid delays.

11.2. The facility pays overtime premiums above legal minimum requirements.

11.3. The facility provides additional breaks to workers within shift, which extend beyond minimum legal requirements.

11.4. The facility conducts regular internal assessments to ensure that time attendance system is being used properly and all working hours are accurately recorded.

12.1. There is a health and safety committee or a procedure in place to hold periodic dialogues between management and employees to address and improve health and safety concerns.

12.2. Training for Health and Safety at the facility is engaging and interactive - for example, the facility engages experts or the local fire service to demonstrate how to use fire extinguishers.

12.3. The facility has adopted a holistic approach to health and safety issues, and the scope of training goes beyond that required by standards and local laws to include issues such as well-being and nutrition.

12.5. The facility has documentary proof of its use of alternative non-toxic materials to reduce the use of hazardous materials.

12.7. The facility offers multiple brands/types of PPE based on work requirements, and to ensure that the use of PPE is comfortable and easy to use.

13.1. The facility conducts regular energy assessments to identify potential energy and cost savings and has an action plan for achieving energy reduction.

13.2. The facility reuses materials when possible, and recycles materials that are able to be recycled, and they have an action plan for achieving waste generation reduction.

13.3. The facility has developed and implemented measures to reduce water consumption.

13.5. The site has an internal competition between teams to reduce waste.

14.1. The facility shares best practices with its suppliers and other subcontractors and collaborates with them to achieve their standards.

GENERAL AUDIT OVERVIEW

This announced ERSA Remote assessment started at 9:00 on August 16th, 2021 and ended at 17:00 on August 18th, 2021. One ELEVATE field staff (1 male) was assigned to verify the overall compliance status of the factory against the ELEVATE Responsible Sourcing Standards, as well as applicable local laws. Audit approaches include onsite confidential interviews with workers, document/record review, physical observations and management interviews.

Factory tour was conducted effectively including all working areas as production areas there was a total of 5 sites that were on the scope of this audit, supplies warehouses, distribution center for finished products, cafeterias, restrooms and lockers, chemical area, recycling areas, maintenance area and administrative offices; during the tour it was observed fire detection and extinguishing systems installed (fire extinguishers, fire cabinets and hoses, smoke detectors, fire alarms and emergency lightings), use of correct PPE by employees, PPE signs, no smoking signs, evacuation routes and plans, emergency exits, internal policies posted and risks signs, first aids kits, stretchers, evacuation plans and eye wash stations. Factory does not provide dormitories for employees. Lightning as well as air circulation was good in all sites.

Conclusions are drawn based on a limited, yet through sampling and collaborated from different information sources. The facility management Oscania Maravilla/ Human Resources Specialist participated in the opening and closing meeting, and she was cooperative to auditor throughout audit processes.

The requested documents and records were provided in a timely manner, for labor, health and safety, environment and management systems issues. There were two non conformances detected on the audit process both in the Health and Safety section.

A closing meeting was performed to communicate the conclusions, management had good understanding of executive summary of assessment and agreed to sign the CAP accordingly.

INNOVATION LINE

EVT-US-4IMP-173500

Reference	Findings
-----------	----------

8. Freedom of Association & Grievance

8.09	<p>Detailed Findings</p> <p>During the facility tour, it was noted that the facility does not count with a grievance mechanism such as suggestion boxes, latter on during the audit process it was confirmed with the Management Interview that there are no procedures nor mechanisms implemented to follow up with any confidential grievance such as a hotline, email or any kind of written procedure regarding this topic.</p> <p>Legal Requirements ELEVATE Responsible Sourcing Standard</p> <p>In accordance with ERSa requirement:</p> <p>8.9 The facility has multiple grievance mechanisms such as a confidential means to voice grievances as well as access to someone / mechanisms other than their direct supervisor. This might include suggestion boxes, hotlines, email, workers committees, designated spaces for worker meetings, and meetings between management and workers' representatives.</p> <p>Recommendations It is recommended that the facility implements multiple grievance mechanisms to assure that this procedure could be conducted on a confidential mode according to the requirements of the Code.</p>	Major
------	---	-------

12. Health & Safety

12.4 Chemical & Hazardous Substances

12.4.06	<p>Detailed Findings</p> <p>During the facility tour it was observed that in the site called Bethoven, the Chemical Storage Area is not properly equipped with fire extinguishers and the closer extinguisher was far from what the Local Law requires.</p> <p>Legal Requirements ELEVATE Responsible Sourcing Standard</p> <p>In accordance with ERSa requirement:</p> <p>12.4.6 Chemicals and hazardous substances are stored in a separate covered area that is equipped with appropriate fire extinguishers, safety signs, ventilation, anti-explosive lights, instructions on handling and disposal of chemicals, and personal protective equipment for workers.</p> <p>Recommendations It is recommended that the facility installs the fire extinguishers according with the requirement for Health and Safety measures related to fire prevention.</p>	Major
---------	---	-------

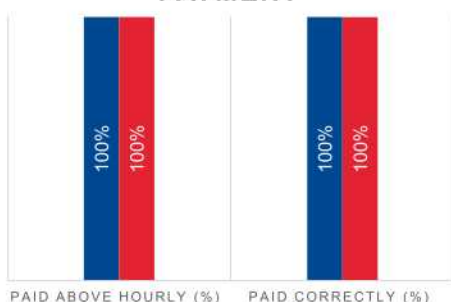
INNOVATION LINE EVT-US-4IMP-173500

WAGES OVERVIEW

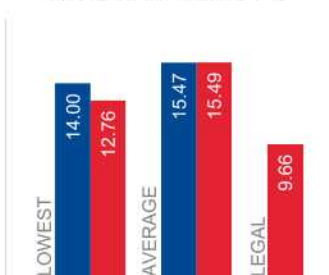
	<i>KPI</i>	<i>Facility Data</i>	<i>Country Average United States of America</i>	<i>% Difference</i>
	Monthly worker turnover (% avg)	24.00%	8.49%	183%
	Monthly take-home (average)	2,381	2,331	2%
	Monthly take-home (lowest)	2,340	1,566	49%
	Paid correctly (%)	100%	100%	0%
	Paid above hourly (%)	100%	100%	0%
	Hourly wage (average)	15.47	15.49	0%
	Hourly wage (legal)	14.00	9.66	45%
	Hourly wage (lowest)	14.00	12.76	10%

Key: ■ Good Performance
■ Underperforming

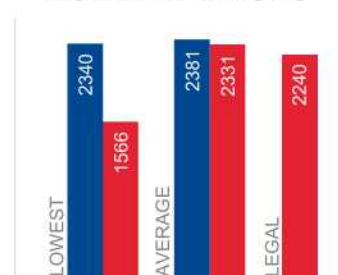
PAYMENT



HOURLY WAGES



MONTHLY WAGES



Facility

Country Average

Wages Data

Wage System:	Hourly Rate
Wage Payment Schedule:	Biweekly
Payroll Records Reviewed Period:	From August 2020 to July 2021

Sampling Period

Record	Current Month	Peak Month	Non-Peak Month
Payroll Records Sampling	Jul-21	Sep-20	Mar-21
Numbers of Samples Reviewed	15	5	5

PRODUCTION INFORMATION

Main Production Processes: Screen Print, Pad print, digital print, engraving, award manufacturing, sublimation, heat transfers, label printing, assembly, and application

Main Machine Types: Printing Machines

Average units produced per week:	20,000
Units produced in last 3 months:	1,30,00,000
Units projection for next 3 months:	1,05,00,000

Peak Season: September, October and December

Main Product Type:	Other
Total Number of Machines:	48

Low Season: March

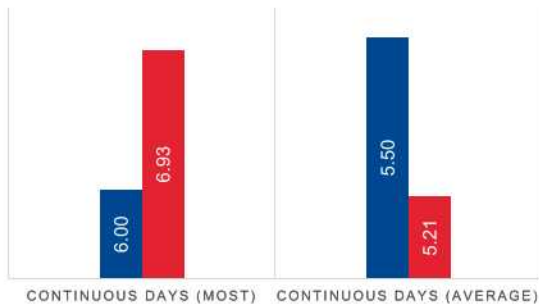
INNOVATION LINE EVT-US-4IMP-173500

WORKING HOURS OVERVIEW

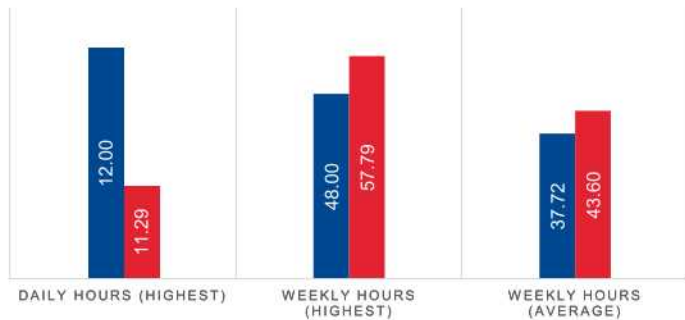
	<i>KPI</i>	<i>Facility Data</i>	<i>Country Average United States of America</i>	<i>% Difference</i>
	Continuous days (most)	6.00	6.93	-13%
	Continuous days (average)	5.50	5.21	6%
	Weekly hours (highest)	48.00	57.79	-17%
	Weekly hours (average)	37.72	43.60	-13%
	Daily hours (highest)	12.00	11.29	6%

Key: Good Performance
Underperforming

WORKING DAYS



WORKING HOURS



Facility

Country Average

Working Hours Data

Time Recording System:	Electronic
Overtime Waiver:	No

Shifts and Operating Hours: Company Operating shift 1/ from 6:00 to 17:00 Monday to Friday with a 30 min break for lunch and 2/ Production shift from 6:00 to 14:30 with a 30 min break, Monday- Friday.

Sampling Period

Record	Current Month	Peak Month	Non-Peak Month
Time Records Sampling	Jul-21	Sep-20	Mar-21
Numbers of Samples Reviewed	15	5	5

INNOVATION LINE EVT-US-4IMP-173500

FACILITY PROFILE

Facility Name (English):	Innovation Line	Facility Legal Name:	Innovation Specialities
Facility Address (English):	11869 TEALE ST , CULVER CITY CA 90230-7701	Facility Legal Address:	11869 TEALE ST , CULVER CITY CA 90230-7701
Primary Contact Name:	Oscania Maravilla	Location Type:	Urban
Title:	Human Resources Specialist	Year Facility Began Operations:	1980
Email:	oscania@innovation-line.com		
Phone:	310-398-8116 ext 239□		
Social Compliance Contact:	Oscania Maravilla	# of Buildings/Approx. Area (m2):	5 buildings 124,000 sqm
Average # of Assessments in a Year:	1	Dormitories:	No
Last 3rd Party Assessment:	August 21 2018	Multiple Tenants:	No
		Facility Owned:	No

BUSINESS INFORMATION

Brand(s) for client:	1
-----------------------------	---

Customer Breakdown:

<i>Primary Customers</i>	<i>% of business</i>
4imprint	45%
Other	55%



INNOVATION LINE

EVT-US-4IMP-173500

EMPLOYEE INFORMATION

Total Number of Employees:	151	<u>Worker Breakdown</u>	<u># of Workers</u>
Production Workers:	101	United States of America	101
Management Staffs (Non-Prod):	50		
Male:	43		
Female:	108		
Local:	54		
# of Domestic Migrant Workers:	47		
# of Foreign Migrant Workers:	0		

Languages Spoken:

Management:	English, Spanish, Castilian
Employees:	Spanish, Castilian, English

Worker Age Data:

# of personnel files reviewed:	15
Minimum legal work age:	15
Youngest worker found:	23
# of Juvenile workers:	0

FREEDOM OF ASSOCIATION

Is there union in facility?	No
If 'Yes', name of union:	NA
Name(s) of union Rep:	NA
Is there a CBA in place?	No
If 'Yes', CBA valid period:	NA
Is there a worker committee of any kind?	Yes
If 'Yes', indicate the details:	Health and Safety committee

SUBCONTRACTOR INFORMATION

Does the Facility employ subcontractors for any part of the production process?	No
--	----

Subcontractor Name (Service Provided)

N/A

CURRENT CERTIFICATIONS/PROGRAMS

<u>Certification / Program</u>	<u>Status</u>	<u>Expiry Date (Month Day, Year)</u>
BSCI		
ICTI		
EICC (RBA)		
WRAP		
SA8000		
SMETA		
BAP		
Better Work		
ISO14001		
OHSAS18001		

