

REPORT ON THE VERIFICATION PROCESS - CHARTER LINK, INC. GARMENTS FACTORY, PHILIPPINES

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This is a follow-up to the 2020-2021 independent investigation, which was undertaken under the Fair Labor Association's Safeguards System.

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I. Introduction and Executive Summary

This is a verification process that is a follow-up to the brand-commissioned independent investigation conducted in 2020-2021 in the Charter Link Clark, Inc. (“Charter Link”) factory located at the Clark Freeport and Special Economic Zone.¹ Charter Link, which is a Philippine-registered company and a subsidiary of Hong-Kong-registered Charter Link Ltd., is engaged in garments manufacture, especially athletic wear. It had around 700 employees as of end-2021.

The independent investigation was done primarily to look into collective bargaining and freedom of association issues in the factory, that is, the alleged interference with the formation of the Charter Link Employees Union-Federation of Free Workers (CLIEU-FFW) and union busting. (CLIEU-FFW is an affiliate of national federation, [Federation of Free Workers](#).) The investigator also investigated related problems with workplace standards. The investigator submitted his [report](#) in April 2021. This report provides a summary of the scope and results of the independent investigation in [Part II, Sections 1-2](#).

This verification process seeks to find out the current state of the labor-management relations in Charter Link and ensure that the situation has not regressed since after the independent investigation. It also aims to check the status of the corrective actions recommended in the April 2021 report. The detailed scope of this verification process is discussed in [Part II, Section 3 of this report](#).

In this verification process, the investigator found that industrial peace has largely been maintained in the Charter Link factory, after steps were taken to address the major problems that occurred in 2018-2020. In general, the collective bargaining agreement (CBA) that was signed in March 2021 and ratified by workers in April 2021 has been implemented. The communication lines between union and management have also improved. However, there are some issues that may threaten the improving relationship between management and union, such as the following: (i) some managers discourage workers from joining the CLIEU-FFW, (ii) the continuation of litigation between Charter Link and some CLIEU-FFW leaders.

The investigator also found that there are significant problems involving overtime and rest day standards. There are also recurring reports of mistreatment of workers by few managers/supervisors. The investigator also noted that the organization of the Labor Management Council, which could be a venue for further improving union-management relations and addressing workplace concerns like the overtime and rest day issues, and mistreatment of workers, had not been operationalized.

In terms of corrective actions, the investigator found that many of the important recommendations made in his April 2021 report had been implemented. However, in view of the recurring and new issues identified during the verification process, the investigator deemed it necessary to recommend additional corrective actions.

¹ The brand-commissioned independent investigation with verification process is part of the Fair Labor Association’s Safeguards System, are a set of tools that enable the Fair Labor Association (FLA) to address instances of significant and persistent noncompliance with the FLA [Workplace Code of Conduct and Compliance Benchmarks](#) in production facilities used by FLA affiliated companies, suppliers or university licensees.

The investigator commends the management for implementing most of the benefits and incentives provided in the CBA, which is critical in maintaining the hard-earned industrial peace. It commends both union and management in their pursuit of open dialogue to address workplace issues and workers' concerns. With this constructive engagement between the two sides, addressing the problems identified in this verification process is not insurmountable.

The detailed findings of the investigator are found in [Part IV](#) of this report, which is preceded by a discussion in [Part III](#) of the investigation methodology that he employed. [Part VI](#) summarizes the report's findings, the status of the April 2021 Corrective Action Plan, and additional actions needed to address the investigator's findings in this report.

It should be noted that some of the names of individuals identified in the report are withheld in accordance with FLA editorial policies. However, the names of these individuals, especially the managers who may have committed violations of FLA standards or labor laws, were reported to Charter Link management so they can take appropriate actions. In some cases, the sources of information used by the investigator are also withheld to ensure confidentiality and encourage openness in the sharing of information by workers.

II. Background of the Verification Process

In October 2020, FLA-affiliated company lululemon athletica (lululemon) requested the FLA to undertake an independent investigation with respect to several allegations concerning freedom of association and collective bargaining rights at the Charter Link factory, a supplier to lululemon.

1. Reported Issues in the Charter Link Factory

The issues included Charter Link's management alleged (i) interference in the certification election (i.e., union vote) in July 2019 and union favoritism, (ii) failure to bargain collectively with CLIEU-FFW, which was voted and certified as the employee's sole and exclusive collective bargaining agent and (ii) forced leave and dismissal of CLIEU-FFW members and officials, reportedly intended to bust the union. In addition to freedom of association issues and collective bargaining issues, there were also reported violations of workplace standards, i.e., excessive overtime (OT) and OT without workers' consent, mistreatment of workers by some managers (e.g., verbal abuse) and uneven implementation of disciplinary policies. (For a detailed background on the issues tackled in the 2021 independent investigation, please see the [April 2021 Independent Assessment Report, Part I-C.](#))

2. 2021 Independent Investigation

In late 2020 to the 1st quarter of 2021, the independent investigator commissioned by the Fair Labor Association, proceeded with the assessment of the allegations against Charter Link.

The investigation confirmed a range of serious issues including anti-union practices, interference with the certification election/union vote, and the dismissal of union leaders intended to weaken the CLIEU-FFW. There were also delays in the negotiation of the collective bargaining agreement (CBA) with CLIEU-FFW. However, these issues were largely being addressed with lululemon playing an important role through its

engagement with factory management and the parent company and its support for efforts to advance social dialogue and good faith collective bargaining. Most of the CLIEU-FFW leaders had already returned to work, except the president and vice-president, whose case was going through the National Labor Relations Commission. Also, the Charter Link management was able to sign a CBA with CLIEU-FFW on March 26, 2021, which was ratified by a majority of factory workers two weeks later.

About workplace conditions, the investigation found that some workers did excessive overtime and often pressured to do so. The investigation also confirmed that a few supervisors verbally abused some workers. There was uneven implementation of factory policies which led to concerns regarding the fairness of implementation and penalties given to violators. However, the Charter Link management had taken steps to address the overtime problem through adequate production planning and incentives for complete attendance, which led to a reduction in overtime hours. The management also took steps to improve management-worker relationship through trainings on proper communication, which were intended to reduce the incidents of verbal abuse.

The investigator made several recommendations to further improve working conditions and labor-management relationships, most notable is the reorganization of the Labor Management Council, which serves as venue to discuss issues and conflicts between management and workers and improvement in company policies and workplace conditions.

For a detailed discussion of the findings and recommendations in the 2021 independent investigation, please see the [April 2021 Independent Assessment Report, Parts III and Part IV.](#) Table 16 of this report also provides a summary of the said findings and recommendations.

3. Verification Process

In October 2021, lululemon again sought FLA's assistance in conducting a follow-up assessment of the situation in Charter Link. After consultation, FLA agreed to conduct this verification to assess the implementation of the corrective action plan items listed in the April 2021 Independent Investigation Report, specifically those pertaining to the following matters:

- a. Union-management relations and union interference issues
- b. Status of labor cases involving CLIEU-FFW officials
- c. Reorganization of the Labor Management Council
- d. Implementation of the Collective Bargaining Agreement
- e. Overtime work and workdays²
- f. Factory polices and disciplinary procedures
- g. Interactions between workers and supervisors

III. Methodology

Like the 2020-2021 independent investigation, the investigator used both qualitative and quantitative tools to gather information needed for this verification process. Leaders of the CLIEU-FFW and the FFW, and

² The issue on the number of workdays was not part of the original scope of the investigation, however, the investigator decided to cover this matter in the assessment due to its close relation with reported excessive overtime.

Charter Link management were interviewed. To get a more in-depth information from the workers, the investigator also conducted a focus group discussion with 20 rank-and-file (non-managerial) workers.

Table 1 List of Interviews and FDG Conducted by the Investigator

Interviewees /Participants	Date of Interview	Mode of interview
1. Charter Link management (top management, and human resource managers)	12 November 2021	Via online meeting platform
2. CLIEU-FFW officials	22 November 2021	Via online meeting platform
3. Charter Link management (top management, and human resource managers)	23 November 2021	Via online meeting platform
4. Charter Link Group Director	25 November 2021	Face-to-face interview at the Charter Link factory
5. CLIEU-FFW officials	25 November 2021	Face-to-face interview at the Charter Link factory
6. 20 rank-and-file (non-managerial) workers	25 November 2021	Focus Group Discussion (face-to-face meeting at the Charter Link factory)
7. Rodrigo Catindig, Executive Vice President Federation of Free Workers	1 December 2021	Phone interview
8. Rodrigo Catindig, Executive Vice President Federation of Free Workers	13 January 2022	Phone interview
9. Charter Link management (top management, and human resource managers)	5 January 2022	Via online meeting platform
10. Charter Link management (top management, and human resource managers)	4 February 2022	Via online meeting platform

The investigator conducted a survey of all non-managerial workers (i.e., rank and file workers) to get a more precise picture of the situation in the factory. On 25 November 2021, the enumerator working³ with the investigator surveyed 648 rank-and-file employees, which made up all the rank-and-file workers who had shifts on the said day. The survey was conducted in the production floor without the presence of any members of management.

The workers answered a 5-page questionnaire with 21 questions, covering union and freedom of association issues, disciplinary policies and investigation procedures, grievance mechanism, workdays and overtime, workplace discrimination, and interaction between workers and management. The questionnaire was in *English* and *Filipino*. (The questionnaire can be found in [Annex B.](#)) Before the workers answered the questionnaire, the enumerator who worked with the investigator gave them a brief background of the verification process, explained some parts of the

³ The independent investigator would like to acknowledge the valuable contribution of Mr. Arjay Mercado, who served as enumerator for the workers' survey.

questionnaire, and answered questions from the respondents, if any. The results of the survey are found in [Annex A](#).

IV. Findings

In general, the workers have a very positive perception of the workplace. Based on the November 2021 workers' survey, 442 workers, who make up 68% of the surveyed workers were satisfied or very satisfied with their work in the factory. Only 5% (33 workers) were either not satisfied or very unsatisfied. The remaining 27% were either undecided or gave no response (see Table 2). However, there are issues, which were identified during the verification process, which need to be addressed. These are discussed in the next sections.

Table 2 Results of Workers' Survey: General Perception of the Workplace

Question: In general, are you satisfied with your work in the factory?

Response	Number of Workers	Percentage
Very Satisfied	105	16.2%
Satisfied	337	52%
Undecided	103	15.9%
Not Satisfied	20	3.09%
Very Unsatisfied	13	2.01%
Void/No Response	70	10.8%
TOTAL	648	100%

1. Union-management relations and union interference issues

The union-management relationship has stabilized with notable improvement in the communication lines between union officers and management. However, there are still areas of friction that need to be addressed, such as anti-union statements made by a few supervisors and lack of consultation in some changes to company policies.

The investigator observed notable improvements in the relationship between union and management. Of course, areas of disagreements cannot be avoided; however, both sides are more open to dialogue compared to 2019-2020 when there was a very strained relationship between the union and management due to some anti-union actions taken by the company.

The grievance committee, the venue where issues on CBA implementation can be discussed, has been activated. Two union officers, Melanie De Dios and Estrella Rebodos sit in the grievance committee.⁴ (This is further discussed in [Part IV, Section 4 on CBA Implementation](#).)

However, around 18% of the 648 workers who were surveyed (see Table 1) said that some supervisors are discouraging them to join the union. When probed further, these workers reported that some supervisors told them that the company might close because of the union, that the union disrupts work, and that they will receive benefits with or without the union, or that they will not get overtime work if they join the union,

⁴ Face-to-face Interview with CLIEU-FFW officials (25 November 2021).

among other statements.⁵ Workers also said that Mr. C was discouraging workers from joining the union, saying that union members are deducted union assessments, which are higher than the agency fees deducted from non-union members.⁶ (Note: Non-union members are assessed agency fees, which are remitted to the CLIEU-FFW for its representation of the collective bargaining unit, i.e., both union members and non-members. Union members pay 109 pesos per month as union assessment. Non-union members pay the same amount, but Charter Link subsidizes their fees by shouldering 49 pesos or 45% of the agency fee.)

Table 3 Results of Workers’ Survey: Alleged Union Interference

Question: Do you agree or disagree with this statement: The factory management or line leaders have discouraged me from joining a union.

Response	Number of Workers	Percentage
Strongly Agree	73	11.27%
Agree	46	7.1%
Undecided	101	15.59%
Disagree	161	24.85%
Strongly Disagree	101	15.59%
Void/No Response	166	25.62%
TOTAL	648	100%

The Charter Link management should give attention to these untoward actions by supervisors, as these kinds of actions strained management -union relations in 2019-2020. Moreover, these actions expose the company to liability for unfair labor practice. (This matter should continue to be monitored in future audits and assessments by lululemon.)

Management could also implement the investigator’s previous recommendation to include an Impartiality Policy, which should provide clear guidance and examples of what actions or statements can be construed as interference with the right of workers to self-organize. This can be complemented by trainings on the Philippine Labor Code’s provisions on unfair labor practices, especially Article 259 [248], which lists unlawful anti-union actions.

Despite the reported anti-union statements/actions by some managers, the investigator acknowledges the strides made by members of management to repair its working relationship with the union. Indeed, CLIEU-FFW officers said that the union-management relationship has improved and is no longer as adversarial like before.⁷ They also reported that they are not prevented from recruiting new members and that they could freely talk to their fellow workers during breaks to discuss company and union issues.⁸

As in any relationship, there would be occasional conflicts between management and union, especially with respect to workers’ benefits. One recent example was the issue on “holiday swapping,” i.e., the *flexi-holiday schedule* under [Department of Labor and Employment \(DOLE\) Advisory No. 2, series of 2009](#). It refers to a schedule “where the employees agree to avail the holidays at some other days provided there is no diminution of existing benefits as a result of such arrangement.”⁹ It appears that the company implemented

⁵ See [Annex A](#), specifically, the workers’ response to Question No. 19 of the Workers’ Survey.

⁶ Sources withheld.

⁷ Online Interview with CLIEU-FFW officials (22 November 2021).

⁸ Face-to-face Interview with CLIEU-FFW officials (25 November 2021).

⁹ Department of Labor and Employment Advisory No. 2, series of 2009, Part III (6).

a holiday swap in November 2021, which workers and union officers questioned because workers would be getting smaller wages compared to where the original holiday schedule was followed. The opinion of the DOLE official, who was consulted regarding this flexible holiday arrangement was equivocal, which added to the confusion.

The investigator believes that the conflict could have been avoided by prior consultation between management and union. Considering that union leaders were unfamiliar with the guidelines on *flexi-holiday schedule*, they should have been allowed to get assistance of their union adviser or legal counsel so they could be properly informed before the consultation. To prevent similar conflicts in the future, it is recommended that management conduct prior consultations with union leaders before implementing important changes to working arrangements or company policies. If the change involves novel/unfamiliar labor regulations, the presence of a union adviser or counsel during the consultation may be advisable.

There were other smaller issues, which in the investigator's assessment stemmed from an incomplete understanding of labor regulations by some of the union leaders and members, especially with respect to management prerogatives allowed under the law. The investigator therefore reiterates his previous recommendation to the Federation of Free Workers (FFW) to train the key officials of its CLIEU-FFW chapter regarding labor regulations that they would encounter in their day-to-day duties as union leaders. Perhaps, the Charter Link management can facilitate this by allowing FFW to conduct the training in one of the factory's meeting rooms and allow the union officials to undergo the training on company time.

2. Status of labor cases involving CLIEU-FFW officials

There are three cases involving the dismissal and forced leave of key CLIEU-FFW officials. In his April 2021 report, the investigator stated that the two cases involving union officers put on forced leave would be settled, whereas Charter Link management would appeal the case involving the supposed dismissal of the CLIEU-FFW president and vice president. It turned out that the parties in the two forced leave cases appealed labor arbiters' decision; hence the cases have not been settled to date. The investigator does not fault management or the union officers for pursuing their right to appeal; however, the investigator would still urge the parties to settle the cases, which remain to be major irritants to union-management relations. The investigator notes that in January-February 2022 management has taken concrete steps to attempt settlement, which hopefully would succeed.

2.1 Dismissal Case involving the CLIEU-FFW President and Vice President

CLIEU-FFW claimed that the Charter Link management had harassed the union and its leaders by suspending Mr. A, and Mr. B, the union president and vice president, in January 2019, and firing them in April 2019.¹⁰ In response, the 2 union officials filed a case for illegal dismissal and unfair labor practice (i.e., union busting) against the factory.

¹⁰ CLIEU-FFW Response to Request for Information by the Independent Investigator, p. 2.

Factory management claimed that the 2 union officials were not fired for their union activities, but because they were forcing other employees to sign certain documents during work hours.¹¹ Factory management also said that the 2 union representatives tried to intimidate and extort money from one of the factory's manager finance manager.¹² According to the factory, the 2 union officials committed these serious offenses when they met with the finance manager to try to settle a case, which the two filed (along with two other employees) with the Labor Department. The manager even filed related criminal cases against the two union officials.¹³ However, the criminal complaints had been dismissed by the Prosecutor's Office for lack of probable cause. Also, the labor arbiter had ordered the reinstatement of two union officials after finding that their termination was illegal. The factory implemented payroll reinstatement only (i.e., they receive their salaries even though they are not required to report to work), while it appealed the labor arbiter's decision. The company's appeal was still pending before the National Labor Relations Commission (NLRC) when the independent investigator submitted his April 2021 report.

It appears that the NLRC subsequently modified the labor arbiter's decision. The NLRC upheld the illegal dismissal charge against the Charter Link Clark Inc. but absolved individual managers from any liability. It also recomputed and reduced the amount of backwages due to the two union officers. The NLRC also made a major modification of the labor arbitrator's decision, that is, reversing the order to reinstate the 2 officers to their previous position in the factory using the the *doctrine of strained relations* as basis. This is the NLRC's explanation: "While [the union officers] prayed for reinstatement, We cannot close Our eyes to the fact that the parties have filed cases against each other, including criminal complaint for extortion against the complainants, thereby creating an atmosphere of antipathy and antagonism between them. Under the doctrine of strained relations, the payment of separation pay is considered an acceptable alternative to reinstatement when the latter option is no longer desirable or viable."¹⁴

The investigator understands that the 2 union officers will appeal their cases up to the Supreme Court, if necessary.

In the April 2021 report, the independent investigator had expressed his view that the dismissal of the president and vice president of CLIEU-FFW was motivated by anti-union sentiments of some members of the factory management. The parties to this case have the prerogative to continue the legal proceedings and seek recourse from administrative bodies and the courts. However, the investigator would like to reiterate his recommendation for matters to reach a settlement of this case, as this remains a strain on the union-management relations.

2.2. Forced Leave Cases

In November to December 2019, 125 workers were put on forced leave in several batches. The management said it implemented the forced leaves due to a production slowdown resulting from lower-than-expected orders from clients and raw material delays.¹⁵ This was undertaken in line with the Labor Department's *Guidelines on the Adoption of Flexible Work Arrangements*, which allows workers to be put on forced leave to allow a factory to cope with economic difficulties.¹⁶ This *temporary* leave from work is

¹¹ *Decision in Charter Link Employees Union-Federation of Free Workers Union, Eric E. Nalam and Arman Caparanga v. Charter Link Clark, Inc. Man Sum Sammuel Wai and Eng Huat Nah* (NLRC Case No. RAB III-07-299935-19, (hereafter "NLRC Decision") p. 5.

¹² NLRC Decision, p. 6.

¹³ NLRC Decision, pp. 4-7.

¹⁴ NLRC Second Division Resolution dated 30 June 2021, p. 2.

¹⁵ Interview dated 29 December 2020.

¹⁶ Department of Labor and Employment Advisory No. 2, series of 2009. http://ncr.dole.gov.ph/fndr/mis/files/DA_02_09_2.pdf.

allowed for a maximum period of six months, thus it should have lasted from November 5, 2019 to May 5, 2020.¹⁷

The CLIEU-FFW claimed that the management targeted its members and officials for forced leave, including the workplace union representatives who were involved in CBA negotiations. They claimed that non-regular employees (i.e., trainees and those on short-term contracts) were not put on forced leave. Instead, regular employees, who were union members were targeted.¹⁸ On the other hand, the factory said that entire sewing lines were selected for forced leave based on productivity levels and other objective criteria.¹⁹

Out of the 125 workers put on forced leave, 118 agreed to sever their employment relationship with Charter Link and received their separation (severance) pay.²⁰ The remaining 7 workers were part of 2 groups of employees that filed complaints with the DOLE in January 2020 and questioned the force leave arrangement.²¹ In both cases – let us call them *Case A* (De Dios *et al.*) and *Case B* (Rebodos *et al.*) – the labor arbiters ruled that the workers should be reinstated because their temporary leave from work should have ended in the first week of May 2020, after the lapse of the maximum 6-month period of forced leave allowed under the DOLE *Guidelines on the Adoption of Flexible Work Arrangements*.²² They were awarded backwages computed from the end of the 6-month period to the date of reinstatement. They were also awarded attorney’s fees.²³

In his April 2021 report, the investigator noted that the two cases were about to be settled. Unfortunately, the parties appealed the cases and settlement did not proceed.

In Case A, the workers appealed arguing that the forced leave scheme was done in bad faith and should have been considered illegal. Thus, backwages should be computed from the *start* not the end of the 6-month period. They also asked that moral and exemplary damages be awarded in addition to the attorney’s fees.²⁴ In a 30 June 2021 decision, the National Labor Relations Commission (NLRC) – Sixth Division partially granted their appeal. It increased the amount of backwages but denied the claim for damages.²⁵ Charter Link is appealing the NLRC decision.

In Case B, both workers and Charter Link appealed the labor arbiter’s decision to the NLRC. Charter Link questioned the labor arbiter’s finding that the workers were constructively dismissed after they were not recalled to work at the expiration of the 6-month period.²⁶ The workers’ appeal in Case B took similar

¹⁷ Labor Code, Implementing Rules and Regulations, Book VI, Rule 1, Section 12. In *CLIEU-F Estrella Rebodos et al. v. Charter Link, Inc., et al.*, NLRC Case No. RAB-III-01-31094-20, the labor arbiter said that the forced leave should have ended on 5 May 2020; however, in another case, *Charter Link, Inc. Employees Union-FFW et al. v. Charter Link Inc., et al.* NLRC RAB III Case No. 01-31108-20, the labor arbiter said that it should have ended on 4 May 2020.

¹⁸ Interview dated 9 December 2020.

¹⁹ Interview dated 29 December 2020.

²⁰ Interview dated 29 December 2020.

²¹ *CLIEU-F Estrella Rebodos et al. v. Charter Link, Inc., et al.*, NLRC Case No. RAB-III-01-31094-20 and *Charter Link, Inc. Employees Union-FFW et al. v. Charter Link Inc., et al.* NLRC RAB III Case No. 01-31108-20. Originally, there were 26 complainants in the two cases, but 19 workers agreed to a settlement and became part of the 118 workers mentioned earlier.

²² *CLIEU-F Estrella Rebodos et al. v. Charter Link, Inc., et al.*, (NLRC Case No. RAB-III-01-31094-20), pp. 12-14; *Charter Link, Inc. Employees Union-FFW et al. v. Charter Link Inc., et al.* NLRC RAB III Case No. 01-31108-20, pp. 7-9.

²³ *CLIEU-F Estrella Rebodos et al. v. Charter Link, Inc., et al.*, (NLRC Case No. RAB-III-01-31094-20), p.17; *Charter Link, Inc. Employees Union-FFW et al. v. Charter Link Inc., et al.* NLRC RAB III Case No. 01-31108-20, p. 13.

²⁴ NLRC LAC No. 02-000687-21, p. 12.

²⁵ NLRC LAC No. 02-000687-21, pp. 15-18, 21-22.

²⁶ NLRC LAC No. 01-00265-21, pp. 6-8.

positions made by the workers in Case A. On 28 May 2021, the NLRC- Third Division ruled in favor of Charter Link and found that the workers were validly retrenched due to business losses in in 2019-2020. Thus, the workers were not constructively dismissed, therefore not entitled to reinstatement and backwages.²⁷ The case is also under appeal.

The independent investigator would like to express his serious concern about the NLRC decision in Case B. On several occasions, Charter Link management has informed the investigator that they are not contesting the reinstatement of the workers involved in these two cases. The investigator hopes that the Charter Link management will not renege on this promise. Management should put on record in the appellate court that it is not contesting the reinstatement of the employees in Case B. Management and the workers can also sign an agreement that the latter will not be removed from their positions.

For both Case A and B, the investigator would like to reiterate his call for the parties to arrive at a compromise and bring these cases to a close. They have dragged for a long period with litigation costs piling up. The continuation of these two cases, which involve many of the active officers of the CLIEU-FFW, also remains a major irritant in the relationship of the union and management.

In this regard, the investigator would like to note a 9 February 2022 communication from the Charter Link human resource manager. He reported that the workers in Case A and Charter Link management could settle the case and Charter Link counsel was already in the process of drafting the compromise agreement. Charter Link management also approached the workers in Case B for a possible settlement, but they already filed an appeal on 2 February 2022. The workers said that they would respond to the offer of compromise in the 3rd week of February. The independent investigator sees these developments as very positive and commends the parties for their openness to a compromise. Hopefully, the parties can bring these two cases to a close.

3. Reorganization of the Labor Management Council

There has been unreasonable delay in the organization of the LMC. The LMC can serve as a venue for management and workers to discuss workplace concerns and could diffuse tension when there are contentious issues. It is critical that the LMC be fully organized within the 1st quarter of 2022.

The labor-management council (LMC) in (organized establishment²⁸) or labor management committees (in unorganized establishment) may be formed to provide a venue for employers and workers to discuss policies and decision-making processes directly affecting workers' rights, benefits, and welfare.²⁹ In an organized establishment, matters covered by the CBA or traditional areas of bargaining shall not be discussed in the LMC, but rather in a grievance machinery laid out in the CBA.³⁰

The independent investigator's April 2021 report stated that the factory management's decision "to reorganize the LMC is a critical step to correct those past mistakes and build stronger management-worker relations. Indeed, the LMC can "serve as a forum where management and employees may air their

²⁷ NLRC LAC No. 01-00265-21, pp. 9-10, 12-13.

²⁸ That is, there is a union, which have been officially recognized as the sole and exclusive bargaining agent, such as CLIEU-FFW.

²⁹ Labor Code, Article 267 [255] and Article 292 [277], subsection h.

³⁰ Labor Code, Article 273 [260].

concerns, short of collective bargaining. It is largely a communication mechanism for myriad of purposes including prevention or resolution of dispute. It can even act as a grievance machinery [in a general sense³¹].”³² However, the investigator found that the LMC was organized without following existing labor regulations, which state that in an organized establishment like the Charter Link factory, the workers’ representatives to the LMC should be nominated by the exclusive bargaining representative, the is CLIEU-FFW. The workers representatives in the LMC that was organized in early 2021 were all nominated by the Charter Link management.

The investigator recommended that the management factory should pursue the reorganization of the LMC with guidance and direction, from the National Conciliation and Mediation Board (NCMB). The NCMB had a Workplace Relations and Enhancement Program, wherein the NCMB conducts plant-level orientation seminars and skills training on LMC and facilitates the setting up, re-activation and strengthening of plant-level LMCs.

The Charter Link management followed this recommendation and organized a training with the NCMB, which was held on 18 May 2021. However, as of the 1st week of February 2022 or almost 8 months after the training, the LMC has yet to be organized. The management and CLIEU-FFW have met intermittently to discuss this matter, but they are still in the drawing board stage. Even if we consider the delays due to the COVID-19 situation, the investigator believes that there has been an inordinate delay in the organization of the LMC, which by the way, is mandated under Article XVII of the collective bargaining agreement between Charter Link and CLIEU-FFW.

The investigator would like to stress the importance of the LMC in creating a harmonious relationship between management and workers. For one, it can serve as a platform for workers to raise their concerns and for management to respond when needed. It can improve workers’ favorable perception of the Charter Link’s grievance process. At present, only 43% of the workers think that the management hears their concerns and there is a process to report the same to management. Twenty-two percent (22%) strongly agreed or disagreed. (See Table 4.)

Table 4 Results of Workers Survey – Complaints and Grievances

Q17: Do you agree with this statement: The management hears our complaints. There is a process to report our grievances to the management.

Response	Number of Workers	Percentage
Strongly Agree	114	17.59%
Agree	164	25.31%
Undecided	163	25.15%
Disagree	97	14.97%
Strongly Disagree	46	7.1%
Void/No Response	64	9.88%
TOTAL	648	100%

The investigator understands that the CLIEU-FFW already made a proposal on the structure of the LMC and its committees (see [Annex C](#)). Based on the proposal, the LMC shall be led by a Steering Committee made

³¹ This refers to grievance machinery in a general sense. It is different from the grievance machinery under Article 273 [260] of the Labor Code, which refers to the “machinery for the adjustment and resolutions of grievances arising from the interpretation or implementation of [the] Collective Bargaining Agreement and enforcement of company personnel policies.

³² Independent Investigation Report – April 2021, p. 35

up of 5 CLIEU-FFW representatives and 5 representatives of the Charter Link. Six subcommittees are also proposed: (i) Total Quality, (ii) Safety and Health, (iii) Education and Training, (iv) Social Welfare, (v) Labor Relations, and (vi) Sports and Recreation. The union and management are supposed to nominate 6 members each per committee.

The investigator has become aware of the company’s position that non-union (not CLIEU-FFW members) workers should be represented in the LMC and its committees. The company may recommend this to the union, but it has no right to insist on this. Under labor regulations, in organized establishments, the workers’ representatives shall be nominated by the CLIEU-FFW since it is the recognized sole and exclusive bargaining agent.³³ Of course, the union may decide to nominate non-union members as LMC and LMC committee members, but that is the union’s prerogative. This issue on the membership of the LMC and its committees should not be used as an excuse to delay the organization of the LMC.

The independent investigator urges both management and union to complete the LMC organization within the 1st quarter of 2022. It further recommends that the functions of the Steering Committee and subcommittees be clearly delineated and put on paper to avoid possible confusion and conflict.

4. Implementation of the Collective Bargaining Agreement

Most of the provisions of the collective bargaining agreement (CBA) have been implemented. The investigator has observed Charter Link’s clear intention and corresponding actions to fully implement the CBA.

On 26 March 2021, Charter Link and CLIEU-FFW signed a collective bargaining agreement. The signing and CBA’s eventual ratification by the workers in April 2021 was a great step forward in improving labor-management relations. Of course, the approval of the CBA is just a first step. Its implementation must also be pursued to ensure industrial peace and improve the workers’ welfare.

The investigator found that most of the CBA’s provisions are being implemented. There are still some provisions that need to be complied with, but these are mostly minor provisions, which should not cause serious problems to union-management relationship. Nevertheless, the investigator would recommend a regular assessment (e.g., quarterly) of the CBAs implementation to be done by union representatives and the management. This can be done in the Grievance Committee, provided in Article XVI of the CBA. They should also agree on a timeline for the implementation of the remaining provisions.

Table 5 summarizes the status of the key provisions of the CBA as of *December 2021*. The investigator also makes some recommendations regarding the implementation of some of the provisions. Note that some provisions of the CBA only apply in certain circumstances, which have yet to occur (e.g., separation of employees in case of corporate restructuring). These provisions are excluded from this report.

Table 5 Status of CBA Implementation as of December 2021

Provision in the CBA	Status	Notes or Recommendations
Union stewards / representatives can assist union members in handling grievances or during any investigation	Implemented	Union leaders and stewards are allowed to talk to union and non-union workers and assist them in their grievances or during investigations. <u>It is recommended that the 2021 Rules of Conduct, which provides the</u>

³³ Labor Code, Implementing Rules and Regulations, Book VI, Rule 21, Section 2.

Provision in the CBA	Status	Notes or Recommendations
(Article IV, Section 5; Article VII, Section 2)		<u>workplace rules and investigation procedure, explicitly state the right of workers to seek union assistance.</u>
Union space and bulletin board (Article IV, Section 6)	Partially Implemented	<p>Bulletin board available.</p> <p>The union is allowed to use the pantry for its meeting. However, during lunchbreak when union meetings are held, the pantry is also used by the rest of the workers. With hundreds of workers using the pantry at the same time, it is not really an ideal place to hold the meeting.</p> <p>Also, the CBA provides that Charter Link shall allow the use of a conference room for this purpose. <u>Management told the investigator that they will implement this immediately.</u></p>
List of employees to be provided to CLIEU-FFW (Article IV, Section 6)	Not implemented	CLIEU-FFW officials are asking the company to provide a complete list of employees (including an updated list as hiring and attrition processes occur), which will allow them to identify all the members of the collective bargaining unit. <u>Management said it will instruct the HR department to provide a list to the union.</u>
Check-off and deduction of union assessments or agency fees (for non-union workers) and remittance to CLIEU-FFW and FFW (Article VI, Sections 1,3)	Implemented	Charter Link has remitted union assessments and agency fees collected from May to October 2021.
Preference given to qualified and senior members of the bargaining unit in filling up vacancies and promotions (Article VII, Sections 4-5)	Implemented	Union officials said that they have not encountered any problem with the implementation of this provision.
Union participation in development and revision of existing policies that affect workers' rights, benefits, and welfare (Article VII, Section 9)	Partially implemented	<p>Union leaders were consulted in the drafting of the 2021 <i>Rules of Conduct</i>, for example.</p> <p>However, the failure to organize and activate the Labor-Management Council is hindering the implementation of this provision. In an earlier section of the report, the investigator also noted that a conflict regarding flexi-holiday schedule could have been avoided if there was sufficient consultation between management.</p>
Workdays and workhours (Article VIII, Section 1-3)	Partially implemented	Workers said that they are being asked to work during their rest day (in this case, Sunday). See the discussion in the next section .

Provision in the CBA	Status	Notes or Recommendations
Compensation; nightshift, Overtime, and holiday premiums; and meal allowances (Article IX, Sections 1, 3-6)	Implemented	<p>The CBA does not give additional premiums beyond what Philippine law mandates, and Charter Link complies with the mandate.</p> <p>Although workers did not report any problem with the payment of overtime premiums, there were complaints of excessive overtime hours.</p> <p>The CBA states that in July 2023, Charter Link shall consider the possibility of increasing the wages of the workers and setting it above the minimum wage set by the government.</p>
No tardiness, no absence benefit (Article IX, Sections 7)	Implemented	This monetary incentive was put in place to reduce absences and tardiness, which in turn was supposed to reduce the need for more overtime hours as compensation for lost production time.
Rice benefits (Article XI, Section 1)	Implemented	Workers get 10 kilograms of rice every two months.
Provision of personal protective equipment (PPE) and uniforms (Article XI, Section 2)	Partially implemented	<p>PPEs have been provided.</p> <p>There has been delay in the distribution of uniforms for the year 2021. <u>The 4 shirts shall be distributed in the 1st quarter of 2022, according to management.</u></p> <p>Workers reported not receiving their hairnets. <u>The investigator relayed this matter to the management, which promised to check this matter.</u></p>
Christmas party budget (Article XI, Section 3)	Implemented	Due to the COVID19 situation, instead of having a Christmas party, the workers were given grocery and Christmas lunch packages.
Leaves of absence (LOA) (Article XII, Sections 1-6)	Implemented	<p>Workers are given service incentive*, emergency, maternity*, paternity*, and bereavement leaves.</p> <p>*Mandated by law.</p>
Medical and dental benefit (Article XIII, Sections 1)	Implemented	
Accident insurance	Implemented	Note that the beneficiary is Charter Link.
Education and development programs (Article XIV, Sections 1)	Partially implemented	<p>The management provided documentation showing that some workers received training on first aid and basic life support.</p> <p>Although this was an important training, it falls under Charter Link's obligations under Article XV of the CBA on</p>

Provision in the CBA	Status	Notes or Recommendations
		Occupational Health and Safety. It is also not enough to comply with the obligation of Charter Link “to continue its efforts and develop programs to further the knowledge and skills of the employees, including the formulation of measures designed at increasing job motivation and employees (sic) welfare.” <u>This gap again highlights the need to activate the Labor Management Council (LMC), including its Education and Training Committee, where a training plan can be formulated.</u>
Sports and recreational activities (Article XIV, Sections 2)	Not implemented due to COVID-19	These activities are not held to avoid COVID-19 outbreaks.
Occupational Safety and Health (OSH) training (Article XV)	Implemented	The management provided documentation showing that some workers received training on first aid and basic life support. The workers also did not report any OSH concerns.
Grievance Procedure (Article XVI)	Implemented, but with issues	The Grievance Committee is supposed to handle issues pertaining to the “interpretation, implementation, or violation of the provisions of the [Collective Bargaining] Agreement or as to meaning, interpretation, or any matter involving the relation between [Charter Link and CLIEU-FFW].” ³⁴ This aligns with the grievance machinery under Article 273 [260] of the Labor Code. However, at present the members of the Grievance Committee are also handling duties that should be done by the LMC. Again, this highlights the need for the reorganization of the LMC.
Labor Management Council (Article XVII, Sections-14)	Not implemented	<u>The reorganization of the LMC and the activation of its committees have encountered serious delays.</u>

5. Overtime work and workdays

There appears to be a recurrence of the excessive overtime problem. Although it is not as serious as the problem that occurred in 2018-2019, Charter Link should address this problem as many workers complained of being pressured to do overtime work and the negative impact of excessive overtime on their health and family life. Charter Link stated that they will hire additional workers to add four additional production lines, which will lessen the need for overtime. The implementation of this corrective action during the first two quarters of 2022 and its impact on overtime hours should be monitored by lululemon.

³⁴ Collective Bargaining Agreement between CLIEU-FFW and Charter Link, Article XVI, Section 2.

During the 2020-2021 independent investigation, the investigator investigated reports of workers being forced to stay inside the factory to work after their shifts. The management admitted that they imposed compulsory overtime in 2018-2019, because of many factors including the sudden spike in customer orders during peak seasons, unexpected orders from clients, and a high absenteeism rate among workers. By late 2020, workers confirmed that the overtime issues that happened in 2018-2019 have largely stopped. This was due to adjustments made by management, including better production planning and hiring additional workers. As stated in the investigator’s April 2021 report, workers were normally doing 2 hours of overtime work per day.

5.1 Excessive Overtime and Work During Rest Days

However, during this verification process, the investigator again received reports of excessive overtime hours. Workers said that they were doing 17-19 hours of overtime work per week. If this is added to the regular 48-hour workweek (8 hours x 6 days), workers would be working for 65-67 hours per week. The following is the overtime schedule relayed by the workers to the investigator during his factory visit:³⁵

Table 6 Overtime hours as reported by workers

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Number of overtime hours (reported by workers during factory visit)	4	4	4	3	2	2*	0**
Number of overtime hours (March 7-13, 2022, reported after factory visit)	4 (Mar 7)	5 (Mar 8)	5 (Mar 9)	5 (Mar 10)	2 (Mar 11)	- (Mar 12)	- (Mar 13)

*Sometimes there are no overtime work during Saturdays.

**However, the investigator received reports that some workers are working on Sundays, which is supposed to be their rest day.

As Table 6 (Row 1) shows, generally, workers were doing 3 or 4 hours of overtime in a day. This is an increase from the usual 2 hours of overtime that the workers reported to the independent investigator during his 2020-21 assessment, although still better than the extended overtime hours in 2018-2019.

While this report was being finalized, the investigator received reports and copies of daily time records, which show that overtime hours further increased in March 2022.³⁶ Workers did 21 hours of overtime for the week of March 7-13. From March 8-10 (see Table 6, Row 2) workers did 5 hours of overtime work per day, which is almost an entire 8-hour shift. This meant that workers start working early at 6 am (instead of the usual 7am) and end at 8pm. (These overtime hours appear to have continued after March 13, 2022, based on the overtime sign-up sheets seen by the investigator.)

Workers said that long overtime hours *coupled with increasing production quotas*, were taking a toll on their health, and negatively affecting their family lives. On days when they do 4 hours of overtime, workers struggle to get home due to the unavailability of public transportation after 7 p.m. Also, the canteen would be closed when they do overtime work so workers could not get snacks, which they need to have sufficient energy for overtime work.³⁷

³⁵ Sources withheld.

³⁶ Sources withheld.

³⁷ Sources withheld.

The workers' survey confirmed these reports. Fifty-three percent (53%) of the 648 surveyed workers reported that they rendered more than 12 hours of overtime work per week (Table 7). Also, many workers identified overtime hours, high production quotas, and lack of transportation after overtime work as some of their major concerns.³⁸

Table 7 Results of Workers Survey – Overtime Hours

Question: If you have done overtime in the last 11 months, on average how much overtime have you rendered per week? Please choose the highest number of OT hours that you had to do in one week.

Response	Number of Workers	Percentage
3 hours or less	132	20.37%
4-6 hours	66	10.19%
7-9 hours	9	1.39%
10-12 hours	83	12.81%
More than 12 hours	345	53.24%
Void/No Response	13	2.01%
TOTAL	648	100%

In addition to the overtime problem, workers also reported that that they been asked to work even during rest days. About 50 of the workers who were surveyed reported that they worked on their rest day or day off. They make up about 8% of the respondents (see Table 8). This appeared to have continued in recent months with workers going to work on December 26, 2021, January 2, 2022, and February 6 and 13, 2022.

Table 8 Results of Workers Survey – Rest Day

Question: Have you ever worked in a week without any day off or rest day (example, Sunday)?

Response	Number of Workers	Percentage
Yes, I OFTEN work in a week without a day off or rest day	10	1.54%
Yes, I SOMETIMES work in a week without a day off or rest day	40	6.17%
We have a rest day or day off, at least once a week	569	87.8%
Void/No Response	29	4.48%
Total	648	100%

5.2 Notice to Workers and Workers' Consent to do Overtime Work

Workers are generally given sufficient notice of their overtime schedule with most of the workers getting notice one day or more than one day before the scheduled overtime (see Table 9). In the April 2021 report, the investigator recommended a longer period of notice when feasible. “[W]orkers should be informed well ahead of time regarding the schedule of overtime work. A one-week notice may be best. A longer notice will give workers more social preparation (e.g., scheduling family time, scheduling non-work activities) and increase their acceptance of reasonable overtime assignments,” said the April 2021 report. The investigator would like to reiterate this recommendation.

Table 9 Results of Workers Survey – Notice of Overtime Schedule

³⁸ See Results of Workers Survey in [Annex A](#), Question 21.

**Q2 If you have rendered overtime, were you informed ahead of time about the overtime (OT)?
(Respondent can answer more than once)**

Response	Number of Workers
Yes – I was informed MORE THAN 1 DAY BEFORE the OT	258
Yes – I was informed 1 DAY BEFORE the OT	158
Yes – I was informed on the same day of the OT BEFORE lunchbreak	235
Yes – I was informed on the same day of the OT AFTER lunchbreak	42
No – I was not informed	13

Also, workers told the investigator that some managers were pressuring workers to do overtime work. Production supervisors Mr. C and Ms. D reportedly told workers who did not want to do overtime work, that they would not be given overtime work again.³⁹

The workers’ survey showed that some workers indeed felt that they were being forced or pressured to render overtime work. Although 70% of the workers freely consented to do overtime work, 25% said that they were always or sometimes forced to do overtime work by their managers (Table 10). Indeed, many workers identified overtime hours and lack of freedom to refuse overtime work as some of their major concerns.⁴⁰ About 40 workers also felt that management mistreated them by forcing them to do overtime work or arbitrarily prevents them from doing overtime work.⁴¹

*Table 10 Results of Workers Survey: Choice to Accept Overtime Work
Question: What best describes your overtime (OT) work experience?*

Response	Number of Workers	Percentage
I was free to accept or not accept OT work	459	70.83%
I am ALWAYS forced by factory managers or supervisors to do OT work	55	8.49%
SOMETIMES, I am forced by factory managers or supervisors to do OT	107	16.51%
Void/No Response	27	4.17%
TOTAL	648	100%

5.3 Management’s Response to the Reported Issues

Management confirmed that they needed to do overtime work in June–November 2021 to catch up on production that has been delayed due to COVID19-related disruptions. There were several occasions when the factory had to be closed and disinfected after several workers tested positive of the virus. Management said that they sought lululemon’s approval of the overtime schedule.⁴² The investigator reviewed the 4 approval requests submitted to lululemon.⁴³ Three of the 4 requests sought 17 hours of overtime per week, while the remaining request only sought 15 hours of overtime. However, as stated in [Section 5.2](#), **workers were rendering up to 19 hours of overtime per week, which is beyond what was approved by lululemon.**

³⁹ Sources withheld.

⁴⁰ See Results of Workers Survey in [Annex A](#), Question 21.

⁴¹ See Results of Workers Survey in [Annex A](#), Question 19.

⁴² Interview with Charter Link Management 12 November 2021, 23 November 2021.

⁴³ The requests for overtime approval covered the following dates: (i) June 7–July 3, 2021, (ii) July 5–31, 2021, (iii) August 12–September 18, 2021, (iv) October 4–November 30, 2021.

In March 2022, the investigator secured the 3 overtime requests made by Charter Link to lululemon covering December 2021 to April 30, 2022.⁴⁴ The requests were either for 17 or 18 hours of overtime for work. **Again, the approved overtime hours were lower than the actual overtime hours that the workers rendered. For instance, in the period of March 7 to 13, lululemon only approved 17 hours of overtime for the week, but the based on the reports and daily time records seen by the investigator, the workers were rendering at least 21 hours of overtime.**

At this point, it is apt to review the Fair Labor Association (FLA) standard on workhours and workdays, which states: “Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.”⁴⁵ Under FLA guidelines, “exceptional circumstances” include “events or circumstances which substantially disrupt production, and which are out of the ordinary and out of the control of the employer, including earthquakes, floods, fires, national emergencies, force majeure, or periods of prolonged political instability. The definition does not include peak production periods, which can be planned for, or holidays or seasonal fluctuations.”

With overtime hours, workers have been rendering more than 60 hours of work per week from June-November 2021. While production delays caused by the COVID19 pandemic may be considered an exceptional circumstance that could justify exceeding the normal cap of 60 hours per week per FLA standard, such work schedule *should not be done on a regular basis*. As it happened, the overtime schedule was done with regularity for almost 6 months. More importantly, management needs to ensure that workers have the freedom to accept or decline overtime work. Indeed, lululemon stated in its approval of Charter Link’s overtime request that “overtime work shall be on voluntary basis.” However, as Table 10 shows, many workers appear to have been pressured to do overtime work, which is against the FLA rule that overtime work should be consensual.

Workers are not opposed to rendering overtime *per se*. The workers told the investigator that they would consent to reasonable overtime hours because these could add to their income. However, overtime should not be excessive. They think that a maximum of 3 hours of overtime per day is acceptable. (Recall that the workers said that they rendered 4 5 hours of overtime on some days). They also asked that there be no overtime on Saturdays so they can spend more time with their family and do errands on the weekend.⁴⁶

5.4 Addressing the Overtime Problem

The management told the investigator that it would address this problem by hiring more workers and add 4 additional production lines. Two additional lines were supposed to be in place by December 2021 and 2 more in January 2022.⁴⁷ However, as of the 1st week of February 2022, only 1 additional production line has been in place.⁴⁸ (It appears that there was shortage of applicants and Charter Link had to push back its target completion date to March 2022.) By March 2022, Charter Link reported that it had already hired 161

⁴⁴ The requests for overtime approval covered the following dates: (i) December 1, 2021 to January 31,2022, (ii) February 7 to March 5, 2022, and (iii) March 7 to April 30, 2022.

⁴⁵ <https://www.fairlabor.org/our-work/labor-standards> <Accessed on 13 March 2021>.

⁴⁶ Sources withheld.

⁴⁷ Interview with Charter Link management (25 November 2021).

⁴⁸ Interview with Charter Link management (4 February 2022).

new workers (103 of which were sewers). The hiring of additional workers is critical in solving the overtime problem. Charter Link should pursue a more aggressive recruitment plan to hire more workers and bring down overtime hours to reasonable levels. It is recommended that its progress be monitored by lululemon.

Charter Link also needs to instruct its supervisors to stop pressuring workers to render overtime. Instead of pressure, Charter Link can provide incentives to encourage people to do overtime. For example, it can ensure the availability of transportation so that the workers can easily travel to their homes after overtime hours. It may also want to increase the overtime work meal allowance provided under Article IX, Section 3 of the collective bargaining agreement.

Finally, Charter Link management also said that it will review the way it computes the standard minute value (SMV), which is used to compute its production quota. It will check if adjustments can be made to ensure that the quotas are reasonable.⁴⁹ In addition to this, perhaps management can also check if sufficient time is given to workers to complete their learning curve before raising production quotas to the full level. The investigator also understands that lululemon is involved in the process of setting the quota. The investigator hopes that lululemon and Charter Link can together review the production quotas and check if adjustments could be made.

5.5 Addressing the Rest Day Issue

Management said that the workers who said that they worked on rest days probably did maintenance work on equipment. Some of the workers may also be referring to what happened in 2018-2019, according to management.

However, the investigator believes that the reports coming from the survey results and workers' interview are accurate. There are indeed workers who are reporting to the factory on their rest day, contrary to what management stated.

The CBA between CLIEU-FFW and Charter Link also states that Sunday should be a rest day, without stating any exceptions.⁵⁰ Under Philippine Labor law, workers must be given a rest period of at least 24 consecutive hours after every 6 normal working days. However, the law allows some exceptions, including during an emergency caused by a pandemic.⁵¹

⁴⁹ Interview with Charter Link management (25 November 2021).

⁵⁰ Collective Bargaining Agreement between Charter Link and CLIEU-FFW, Article VIII, Section 2.

⁵¹ **Art. 92. When employer may require work on a rest day.** The employer may require his employees to work on any day:

- a. In case of actual or impending emergencies caused by serious accident, fire, flood, typhoon, earthquake, epidemic or other disaster or calamity to prevent loss of life and property, or imminent danger to public safety;
- b. In cases of urgent work to be performed on the machinery, equipment, or installation, to avoid serious loss which the employer would otherwise suffer;
- c. In the event of abnormal pressure of work due to special circumstances, where the employer cannot ordinarily be expected to resort to other measures;
- d. To prevent loss or damage to perishable goods;
- e. Where the nature of the work requires continuous operations and the stoppage of work may result in irreparable injury or loss to the employer; and
- f. Under other circumstances analogous or similar to the foregoing as determined by the Secretary of Labor and Employment.

Still, Charter Link failed to meet FLA standards, which state that if workers must work on their rest day, “an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.” Based on information provided to the investigator by workers, workers have been asked to work during their rest days for 2 consecutive weeks in December 2021 and January 2022, without being given alternative rest days.⁵² Also, Charter Link should have reported these extraordinary, additional workdays to lululemon like what it did for the additional overtime hours required of employees.

While the investigator understands the need to make up for the production delays caused by the COVID-19 pandemic (especially the surges caused by the Delta variant and to a lesser extent, the Omicron variant), COVID-19 cannot be used as an excuse for asking workers to work on their rest days *with such regularity as what is happening in Charter Link*. HWorkers’ health would naturally suffer if they do not have their rest days for long periods of time. This would ultimately be bad for production as it could result in more health leaves and higher attrition rates. Rather than asking workers to work on their rest days, Charter Link should be more pro-active in hiring additional workers, which the management has agreed to do (see previous section).

6. Factory polices and disciplinary procedures

In his April 2021 report, the investigator found that the factory had written disciplinary policies, which had been communicated to workers. In general, the workers found factory’s disciplinary policies and proceedings to be fair. Nevertheless, the investigator found that there was room for improvement and made the following recommendations:

- a. To improve the workers’ perception regarding the fairness of the investigation process, the investigator recommended the inclusion of the LMC in the investigation process, as provided in the Charter Link’s 2016 *Rules of Conduct*, which was removed in subsequent guidelines.⁵³ It may increase workers’ confidence in the processes since management as well as fellow workers would be part of the LMC.
- b. The investigator also recommended changes to the Employee’s Guide on Company Policies and Procedures (version as of 15 May 2020) with respect to the section on violations and penalties. The Employee’s Guide had weaknesses in terms of the (i) due process and investigation procedure and (ii) reasonableness of the penalties. The investigator recommended another iteration of the 2016 *Rules of Conduct* to replace the referenced section of the Employee’s Guide, while incorporating the beneficial provisions of the latter. In his discussion with management, the investigator mentioned the benefit of including a table of penalties (like that found in the 2016 *Rules of Conduct*) which clearly states the penalty for the first, second, third offense and so on, depending on the gravity of the violation.
- c. There needed to be a consistent procedure and documentation when investigating workers for alleged violations of factory policies.

6.1 Current workers’ perception

The November 2021 Workers’ Survey showed that workers were generally informed of the factory policies and penalties for violations. Sixty-one percent (61%) of the respondents said that the factory’s disciplinary policies were clear to them (Table 11). Sixty-six percent (66%) said that the factory provided a training or

⁵² Name of source withheld.

⁵³ Employee’s Guide on Company Policies and Procedures (amended May 15,2020)

orientation on factory policies and investigation procedures (Table 12). These are lower than the results of the February 2021 survey results, where seventy percent (70%) of the respondents said that the factory’s disciplinary policies were clear to them and 74% said that they received an orientation on factory policies and investigation procedures. The management should check if there is a delay in the holding of orientation of workers. This orientation should be done before onboarding to ensure that workers are informed of the company policies and other compliance requirements.

Table 11 Results of Workers Survey – Clarity of Disciplinary Policies

Question: Do you agree or disagree with this statement: The company disciplinary policies are clear to me.

Response	Number of Workers	Percentage
Strongly Agree	161	24.85%
Agree	234	36.11%
Undecided	120	18.52%
Disagree	54	8.33%
Strongly Disagree	27	4.17%
Void/No Response	52	8.02%
TOTAL	648	100%

Table 12 Results of Workers Survey – Orientation on Company Policies and Investigation Procedures

Question: Has the factory provided you training or orientation on company policies and investigation procedures?

Response	Number of Workers	Percentage
Yes	428	66.05%
None	74	11.42%
Undecided	96	14.81%
Void/No Response	50	7.72%
TOTAL	648	100%

Also, the November 2021 survey respondents generally perceived that the factory disciplinary policies and investigation procedures were fair. Forty-eight percent (48%) agreed or strongly agreed that the penalties for the violations of factory rules were fair, while 21% disagreed or strongly disagreed. The rest were undecided or gave no answer. (See Table 13.) Fifty-eight percent (58%) of the respondents agreed or strongly agreed that the investigation procedure was fair, while 14% disagreed or strongly disagreed. (See Table 14.) Indeed, one union official said that the human resource department (HRD) was fair to workers since they are given an opportunity to explain. The HRD would not penalize the workers, if there is no basis for it, even when a manager, for example, Ms. E, was pushing for it.⁵⁴

Table 13 Results of Workers Survey – Fairness of Penalties for Violations of Company Policies

Question: Do you agree or disagree with this statement: The penalties for company rule violations are known and fair to me.

Response	Number of Workers	Percentage
Strongly Agree	98	15.12%

⁵⁴ In another interview, workers told the investigator that Ms. E was pushing for the dismissal of a worker who went home because he was dizzy. The worker had received permission from the line leader and supervisor, but Ms. E still wanted the worker’s removal. The human resource department did not dismiss the worker.

Response	Number of Workers	Percentage
Agree	214	33.02%
Undecided	139	21.45%
Disagree	103	15.9%
Strongly Disagree	35	5.4%
Void/No Response	59	9.1%
TOTAL	648	

Table 14 Results of Workers Survey – Fairness of Investigation Procedure

Question: Do you agree or disagree with this statement: The investigation procedure for company violations is fair and I have the opportunity to defend myself.

Response	Number of Workers	Percentage
Strongly Agree	148	22.84%
Agree	227	35.03%
Undecided	112	17.28%
Disagree	65	10.03%
Strongly Disagree	27	4.17%
Void/No Response	69	10.65%
TOTAL	648	

6.2 Status of recommendations

- a. The *Rules of Conduct* (updated 2021) allows a worker who is dissatisfied with the disciplinary action against him or her (i.e., the decision of the Human Resource Department or HRD) to appeal it with the HRD. The HRD will then refer the appeal to the appropriate Grievance Committee, which together with management shall decide on the appeal.

The investigator was also informed that two officials of the CLIEU-FFW were able to intervene and helped workers under investigation or disciplinary action when the workers sought such assistance. These two officials also sit in the Grievance Committee. One of them said that the committee could decide appeals by workers, if any. However, thus far, no worker has filed an appeal with the Grievance Committee, so they have not had the opportunity to exercise this mandate.⁵⁵

The foregoing substantially implements the investigator’s recommendations. However, the role being played by the Grievance Committee must be clarified by Charter Link. The Grievance Committee is supposed to handle issues pertaining to the “interpretation, implementation, or violation of the provisions of the [Collective Bargaining] Agreement or as to meaning, interpretation, or any matter involving the relation between [Charter Link and CLIEU-FFW].”⁵⁶ This aligns with the grievance machinery under Article 273 [260] of the Labor Code. It will be more appropriate for one of the committees of the Labor Management Council to handle workers’ appeals, instead of the Grievance Committee.

- b. The investigator notes that Charter Link’s 2021 *Rules of Conduct* adopted the 2016 *Rules of Conduct*’s provision on disciplinary procedures. However, there is still no table of penalties like that

⁵⁵ Interview with union leader, 13 March 2022.

⁵⁶ Collective Bargaining Agreement between CLIEU-FFW and Charter Link, Article XVI, Section 2.

found in the 2016 *Rules of Conduct*. The investigator would like to reiterate this recommendation to include a table of penalties following the format of the 2016 Rules of Conduct. As an added recommendation, perhaps there can be a Filipino translation of the *Rules of Conduct*. Although most of the workers can understand English, the Rules of Conduct includes complex language, which not all the workers may be able to comprehend. A Filipino translation of the *Rules of Conduct* can improve the workers' perception on the clarity and fairness of company rules, which as Table 11 and Table 13 show, leaves room for improvement.

- c. A CLIEU-FFW official confirmed that the investigation proceedings were being documented. This official, who assisted workers that were facing disciplinary action in their dialogue with the human resource department, said that workers had access to the investigation records. Workers could access documents such as the evidence against them and copies of the investigation results and decision of the human resource department.⁵⁷ The management also provided sample records of investigation proceedings, which confirmed this finding.

7. Interactions between workers and supervisors

There are still a couple of supervisors, including one identified in the April 2021 report, who verbally abuse workers. The investigator recognizes that the Charter Link has taken several steps to address this, however, continuous monitoring of the supervisors' actions appears to be necessary. This can be an area that the company can monitor through the help of the CLIEU-FFW and the soon-to-be organized LMC where this matter and other workplace issues can be discussed.

In his April 2021 report, the investigator confirmed that some supervisors insulted, threatened, or intimidated workers, especially during peak production seasons. However, workers did note that the incidents of verbal abuse had decreased since 2020. In November 2020, the factory also organized a training on communication skills for its supervisors, including Ms. E, who was identified in the Workers' Survey and interviews as the one who verbally abused workers.⁵⁸ Provided by a third-party business training company, the training covered effective communication by management and listening skills.⁵⁹

To further address the problem, the independent investigator recommended the holding of cultural sensitivity trainings for both management and workers. Charter Link worked with the Department of Labor and Employment – Labor and Employment Education Services to organize a training on “Appreciating Cultural Diversity & Differences in the Workplace,” which was held on 31 August 2021. Eight Chinese managers and supervisors attended the training.

Despite these important steps taken by the company it appears that incidents of the verbal abuse and untoward actions by Ms. E continued (e.g., shouting, ordering workers who fail to meet quota to go home without completing their shifts), although the workers told the investigator that the level of abuse had lessened compared to previous years. The workers also noticed that Ms. E would now usually talk to the

⁵⁷ Call with CLIEU-FFW

⁵⁸ The name of one supervisor kept coming up in the survey responses and workers' interview. The name of the supervisor is withheld to give him/her due process as he/she is still with the company. At some point, the name should be revealed to the relevant company officials for appropriate action.

⁵⁹ The CLCI HR department provided documentation of the training, including certificates of completion issued to the participating supervisors.

line leaders rather than berate the erring workers directly, although her voice was raised high enough that the workers could still hear what she was saying.

Most of the workers surveyed said that they were treated well by management, but about 24% of the surveyed workers reported that they *sometimes or often* experienced bad treatment, abuse or discrimination (see Table 5). When probed what form of mistreatment they suffered, the top answer pertains to humiliation and verbal abuse (cussing) by Ms. E, and another supervisor Ms. F.

Table 15 Treatment of Workers by Management

Question: Have you experienced any bad treatment, abuse or discrimination by factory management?

Response	Number of Workers	Percentage
Yes – Often	32	4.9%
Yes – Sometimes	122	18.83%
No	414	63.89%
Not Sure	33	5.09%
Void/No Response	47	7.25%
TOTAL	648	100%

The investigator recognizes that the Charter Link management has taken concrete steps to address this problem and implemented the recommendations, which the independent investigator made in his April 2021 report. However, continuous monitoring of the supervisors’ actions appears to be necessary. This is an area that the company can monitor through the help of the CLIEU-FFW and the soon-to-be organized Labor Management Council (LMC) where this issue and other workplace issues can be discussed. Again, this highlights the importance of the immediate operationalization of the LMC, which was discussed in [an earlier section of this report](#).

V. Concluding Remarks and Recommendations

Industrial peace in the Charter Link Clark factory has largely been maintained after steps were taken to address the major problems that occurred in 2018-2020, including freedom of association issues and serious violations of workplace standards. Although the [3 cases involving many of the CLIEU-FFW’s leaders remain pending](#) and continue to be irritants in the union-management relations, they do not appear to cause major breaks between management and union *at present*. These cases are in various stages of appeal, which the parties have every right to pursue. However, a note of caution to management: a final ruling that would result in the dismissal of some or all the union leaders involved in the cases could cause serious damage to the labor-management relationship. Thus, the investigator continues to encourage both management and workers/union leaders to reach an amicable settlement of the issues and avoid the dismissal of union leaders.

[The acts of certain managers meant to discourage workers from joining the union](#) also threaten the good working relationship between union and management. Those acts may also be considered unfair labor practice under Philippine labor law, and management should ensure that these individuals cease their underhanded actions to avoid legal liability. Also, the labor-management relationship has only been repaired recently, and it would be unfortunate if the efforts to repair it in the past 2 years would be for naught.

[In general, the collective bargaining agreement is being implemented.](#) The investigator commends Charter Link for implementing most of the benefits and incentives in the CBA, which is critical in maintaining the hard-earned industrial peace. The investigator recommends regular monitoring by the management and union of the status of the remaining unimplemented provisions. They should come up with a clear timeline for the implementation of each pending item. This can be done through the Grievance Committee provided in Article XVI of the CBA.

Generally, workers have a very positive perception of the workplace. However, there are concerns regarding [overtime hours, workers' rest day](#), and [mistreatment of workers by a few managers](#).

The investigator is deeply concerned that the long overtime hours and lack of rest days, *which are done with regularity*, would cause serious health problems for workers. This also runs against FLA standards and the collective bargaining agreement. This issue should be addressed immediately (i.e., first quarter of 2022), and lululemon should monitor the corrective actions that the Charter Link management promised, especially the hiring of additional workers.

[The mistreatment of workers by Ms. E has been a recurring issue.](#) The investigator is concerned that the Charter Link management has been unable to completely rein in Ms. E and prevent her from doing objectionable acts (e.g., cussing and shouting at workers, threatening workers with penalties.) Despite the high role of Ms. E in the factory, management should monitor Ms. E's conduct and make sure that the company policies aimed at protecting workers from harassment and ensuring their dignity, are strictly enforced.

The overtime and workday issues, as well as problems in the interaction between supervisors and workers can be addressed through monitoring and dialogue between management and CLIEU-FFW and the workers. The Labor Management Council (LMC) is the proper venue for these, but [the reorganization and activation of the LMC and its committees have been seriously delayed](#). It is critical that the LMC be activated within the 1st quarter of 2022. lululemon should monitor this so that no further delays occur.

In terms of corrective actions, the investigator is happy to see that many of the important recommendations made in his April 2021 report have been implemented, which are summarized in Table 16. However, there are some issues that have recurred or materialized after the April 2021 report, which were discussed above. Further recommendations are provided to address those recurring and new issues. There are also some recommendations to both union and management, which aim to further improve union-management relationship. All these additional recommendations are in the 5th column of Table 16.

Tension between management and labor is expected to occur every now and then, however, so long as the processes and structures provided in the CBA and labor laws are followed, the investigator is confident that the tension will not result in serious breaks in industrial peace. If dialogue and lines of communications remained open, as is the case in the factory today, the issues identified in this report could be addressed.

Table 16 Findings of the 2021 Independent Investigation, Status of Corrective Action Plan, and Further Actions

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
Anti-union bias of management and interference with workers’ right to organize	Some members of factory management interfered in the July 2019 union vote (called certification election under Philippine law).	The factory should include in its code of conduct a section on impartiality with respect to union matters (the “Impartiality Policy”). The Impartiality Policy should ensure the factory’s non-interference in union internal matters and certification elections, among others.	Not Implemented	Management should implement the investigator’s previous recommendation to include an Impartiality Policy (or a Non-Interference Policy), which should provide clear guidance and examples on what actions or statements can be construed as interference with the right of workers to self-organize. It should also provide clear penalties for violators. This can be complemented by trainings on the Philippine Labor Code’s provisions on unfair labor practices, especially Article 259 of the Code, which lists unlawful anti-union acts.
Anti-union bias of management and interference with workers’ right to organize	Members of CLIEU-FFW appeared to have been targeted for dismissal by company management.	Although, it is the factory’s prerogative to continue to appeal the dismissal case involving the CLIEU-FFW officials, Mr. A and Mr. B, it would be a very good confidence building measure to withdraw the appeal and reinstate the two officials in their positions.	Not Implemented: Case under appeal.	The investigator would like to reiterate his recommendation for parties to reach a settlement of this case, as it remains a strain on union-management relations.
Anti-union bias of management and interference with workers’ right to organize	The cases involving the CLIEU-FFW leaders put on forced leave were about to be settled.	Proceed with settlement.	Not Implemented: Unfortunately, the parties appealed the cases and settlement did not proceed.	<u>The independent investigator would like to express his serious concern about the NLRC decision in the case of Rebodos et al. On several occasions, Charter Link management has informed the investigator that they are not contesting the reinstatement of the workers involved in this case as well as in the case of De Dios et al. The investigator hopes that the Charter Link management will not renege on</u>

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
				<p><u>this promise. Management should put on record in the appellate court that it is not contesting the reinstatement of the employees in Case B. Management and the workers can also sign an agreement that the latter will not be removed from their positions.</u></p> <p>For both cases, the investigator would like to reiterate his call for the parties to arrive at a compromise and bring these cases to a close.</p>
Improving union-management relationship	Some members of management issued statements, which could be construed as restraints on the workers' right to organize.	The factory should pursue its plan to have training sessions with the Labor Department, which will cover union matters and provide guidance on the proper interaction between management and union.	100% implemented training done on on 31 August 2021.	<p>The acts of certain managers, which discourage workers from joining the union, threaten the good working relationship between union and management. Those acts may also be considered unfair labor practice under labor law and management should ensure that the managers cease their underhanded actions to avoid liability. This matter can be monitored through the soon-to-be organized Labor Management Council, possibly in the Labor Relations Committee.</p> <p>This matter should continue to be monitored in future audits and assessments by lululemon.</p>
Improving union-management relationship				Management should conduct prior consultations with union leaders before implementing important changes to working

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
				arrangements or company policies. If the issue is new or complex, the presence of union adviser or counsel is advisable.
Improving union-management relationship		The Federation of Free Workers (FFW) should organize training sessions for the officials of its CLIEU-FFW. These trainings should cover effective communication and negotiation skills and provide a more substantive orientation on key labor regulations. These trainings can enhance the ability of its affiliate to maintain a good and productive working relationship with the management, as well as advocate effectively to ensure the rights of the CLIEU-FFW members.	Not Implemented. Hopefully, Charter Link can support its implementation by allowing the leaders to have the training on company time.	The investigator would like to reiterate the recommendations in his April 2021 report.
Reorganization of the Labor Management Council	The factory had taken positive steps towards the reorganization of the Labor- Management Council, but it needs to follow government regulations on who should nominate the workers' representatives to the LMC and its committees.	The factory should pursue the reorganization of the LMC with guidance and direction, from the National Conciliation and Mediation Board (NCMB). The NCMB has a Workplace Relations and Enhancement Program, wherein the NCMB conducts plant-level orientation seminars and skills training on LMC and facilitates the setting up, re-activation and strengthening of plant-level LMCs	100% implemented. NCMB Training conducted on 18 May 2021	.
Reorganization of the Labor			Not implemented – There is only a proposal on how to	The independent investigator urges both management and union to complete the LMC organization within the 1 st quarter of 2022. It

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
Management Council			reorganize the LMC and its committees, but none of them have been activated.	<p>further recommends that the functions of the proposed Steering Committee and subcommittees be clearly delineated and put on paper to avoid possible confusion and conflict in the future. The functions of the Grievance Committee should also be clarified since it appears to be doing functions that should be done by the LMC or its committees.</p> <p>Charter Link management should stop insisting that non-union members should be part of the LMC. It can recommend this to CLIEU-FFW, but it <i>cannot</i> insist that this be done because under labor regulations, CLIEU-FFW, being the exclusive bargaining agent, has the sole prerogative to nominate the workers' representatives to the LMC</p>
Collective Bargaining Agreement (CBA)	<p>There were delays in CBA negotiations, which could have been prevented by Charter Link management. However, the signing of the CBA on 26 March 2021 is an important step forward to address the CBA-related issues</p>	<p>The factory management and CLIEU-FFW are scheduled to renegotiate the CBA not later than July 2023.⁶⁰The factory management should avoid the <u>delays that occurred during the CBA negotiations in 2019-2020</u> by reviewing the CBA ahead of July 2023, especially the economic provisions under Article IX (Compensation, Night Differential, and Overtime Premiums), and Article XI (Bonuses and Allowance).</p>	Not yet due for implementation	<p>The investigator found that most of the CBA's provisions are being implemented. There are still some provisions that need to be complied with, but these are mostly minor provisions, which should not cause serious problems to union-management relationship. Nevertheless, the investigator would like to recommend a regular assessment (e.g., quarterly) of the CBAs implementation to be done by union representatives and the management. This can be done in the Grievance Committee, provided</p>

⁶⁰ CBA Between CLIEU-FFW and CLCI, Article XX, Section 2.

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
	identified by the investigator.			<p>in Article XVI of the CBA. They should also agree on a timeline for the implementation of the remaining provisions.</p> <p>There are also specific recommendations on the implementation of some CBA provisions that are found in Table 5, Part IV, Section 4 of this report.</p>
Collective Bargaining Agreement		The participation of the top management of the Charter Link’s parent company’s (i.e., Charter Link, Ltd.) in the CBA negotiations had not been substantive, yet they had a key role in the approval of CBA’s provisions. Since the parent company has a final say in contentious CBA provisions, especially the articles on wages and benefits, the participation of a representative from the parent company in the next round of CBA negotiations may speed up the process.	Not yet due for implementation	
Collective Bargaining Agreement		Regular dialogue between the representatives of the parent company and CLIEU-FFW leaders may also contribute to the further improvement labor-management relationship and could hasten the resolution of issues before they become advanced and more difficult to resolve.	70% implemented	The investigator understands that there is regular communication between CLIEU-FFW and managers based in Clark, but not between the union and representatives of the parent company.
Overtime	The issue of forced overtime has been substantially addressed.	When feasible, workers should be informed well ahead of time regarding the schedule of overtime work. A one-week notice may be best. A longer	70% implemented – in some cases there is still a short	The amount of overtime hours has again increase, beyond the cap imposed by FLA standards. The COVID19 pandemic has caused

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
	<p>The factory had reset its production plans and schedule to avoid the need for excessive overtime. Workers confirmed that the overtime issues that happened in 2018-2019 have largely stopped.</p>	<p>notice will give workers more social preparation (e.g., scheduling family time, scheduling non-work activities) and increase their acceptance of reasonable overtime assignments.</p>	<p>notice, i.e., given on the day of the scheduled overtime.</p>	<p>disruption in the production, but this cannot result in overtime work being undertaken with high regularity and excess of the 2-3 hours of overtime per day. Such amount of overtime (4 to 5 hours on some days) will be detrimental to workers' health and result in higher attrition rates that will also disrupt production.</p> <p>The hiring of additional workers is critical in solving the overtime problem. Charter Link should pursue a more aggressive recruitment plan, and it is recommended that its progress be monitored by lululemon.</p>
<p>Overtime</p>		<p>Management should ensure that overtime schedules are announced not just verbally, but through written communications (e.g., posts, SMS). Such written communications also have practical advantages (e.g., people cannot deny lack of information about the schedule). Such advance notice would only be possible if the factory management regularly reviews the factory's production plans and work hour estimates.</p>	<p>70% implemented – There are still instances when announcements are done verbally only.</p>	<p>The recommendation in the April 2021 report are reiterated.</p>
<p>Overtime</p>		<p>Workers' consent to overtime should always be documented (e.g., sign-up sheets).</p>	<p>50% Implemented.</p> <p>Workers are asked to sign overtime consent forms, but there are verified</p>	<p>Charter Link needs to instruct its supervisors to stop pressuring workers to render overtime. Instead of pressure, Charter Link can provide incentives to encourage people to do overtime. For example, it can ensure the availability of transportation so that the workers can easily</p>

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
			reports of pressure exerted on workers so that they will do overtime work. Such pressure results in consent not freely given.	travel to their homes after overtime hours. It may also want to increase the overtime work meal allowance provided under Article IX, Section 3 of the collective bargaining agreement.
High production quota	Not covered	Not applicable	Not applicable	<p>Workers said that long overtime hours <i>coupled with increasing production quotas</i>, were taking a toll on their health, and negatively affecting their family lives.</p> <p>Charter Link management said that it will review the way it computes the standard minute value (SMV), which is used to set the production quota. It will check if adjustments can be made to ensure that the quotas are reasonable.⁶¹ In addition to this, perhaps management can also check if sufficient time is given to workers to complete their learning curve before raising production quotas to the full level. The investigator also understands that lululemon is involved in the process of setting the quota. The investigator hopes that lululemon and Charter Link can together review the production quotas and check if adjustments could be made.</p>

⁶¹ Interview with Charter Link management (25 November 2021).

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
Work during rest day	Not covered	Not applicable	Not applicable	While the investigator understands the need to make up for the production delays caused by the COVID-19 pandemic (especially the surges caused by the Delta variant and to a lesser extent, the Omicron variant), COVID-19 cannot be used as an excuse for asking workers to work on their rest days <i>with such regularity as what is happening in Charter Link</i> . This would ultimately be bad for production as it could result in more health leaves and higher attrition rates. Rather than asking workers to work on their rest days, Charter Link should be more pro-active in hiring additional workers, which the management has agreed to do.
Factory polices and disciplinary procedures	The factory has written disciplinary policies, which have been communicated to workers. In general, workers found factory's disciplinary policies and proceedings to be fair. There are some areas of improvement, which are identified in this section.	To improve the workers' perception regarding the fairness of the investigation process, the investigator recommended the inclusion of the LMC in the investigation process, as provided in the Charter Link's 2016 <i>Rules of Conduct</i> , which was removed in subsequent guidelines. ⁶² It may increase workers' confidence in the processes since management as well as fellow workers would be part of the LMC.	80% implemented	The Rules of Conduct (updated 2021) allows a worker who is dissatisfied with the disciplinary action against him or her (i.e., the decision of the Human Resource Department or HRD) to appeal it with the HRD. The HRD will then refer the appeal to the appropriate Grievance Committee, which together with Management shall decide on the appeal. This substantially implements the investigator's recommendations. However, the role being played by the Grievance Committee must be clarified by Charter Link management. It will be more appropriate for one of the committees of

⁶² Employee's Guide on Company Policies and Procedures (amended May 15,2020)

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
Factory polices and disciplinary procedures		The investigator also recommended changes to the Employee’s Guide on Company Policies and Procedures (version as of 15 May 2020) with respect to the section on violations and penalties. The Employee’s Guide had weaknesses in terms of the (i) due process and investigation procedure and (ii) reasonableness of the penalties. The investigator recommended another iteration of the <i>2016 Rules of Conduct</i> to replace the referenced section of the Employee’s Guide, while incorporating the beneficial provisions of the latter. In his discussion with management, the investigator mentioned the benefit of including a table of penalties (like that found in the <i>2016 Rules of Conduct</i>) which clearly states the penalty for the first, second, third offense and so on, depending on the gravity of the violation.	40% Implemented	<p>the LMC to handle workers’ appeals instead of the Grievance Committee.</p> <p>The investigator notes that Charter Link’s 2021 <i>Rules of Conduct</i> adopted the 2016 <i>Rules of Conduct</i>’s provision on disciplinary procedures. However, there is still no table of penalties like that found in the 2016 <i>Rules of Conduct</i>. The investigator would like to reiterate this recommendation.</p> <p>As an added recommendation, perhaps there can be a Filipino translation of the <i>Rules of Conduct</i>. Although most of the workers can understand English, the Rules of Conduct includes complex language, which not all the workers may be able to comprehend. A Filipino translation of the <i>Rule of Conduct</i> can improve the workers’ perception on the clarity and fairness of company rules.</p>
Factory polices and disciplinary procedures		There needed to be a consistent procedure and documentation when investigating workers for alleged violations of factory policies.	Implemented	Investigation proceedings are being documented. Workers have access to the investigation records. Workers can access documents such as the evidence against them and copies of the investigation results and decision of the human resource department.
Alleged mistreatment of workers by certain supervisors	The factory has taken concrete steps to address the complaints about the mistreatment of workers, especially	The training on effective communication, which members of the management team took in November 2020 should become part of the regular training plan for managerial personnel.	50% implemented. There was one time training in 2020.	There are still a couple of supervisors, including one identified in the 2021 independent investigation report, who verbally abuses workers. Further training on communications may be necessary.

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
	verbal abuse by supervisors.		This should be done regularly considering that there are still a couple of managers, who still have issues in the way they talk to workers.	
Alleged mistreatment of workers by certain supervisors		The investigator noted that many members of the management team are not from the Philippines. It is, of course, accurate to say that there are cultural differences between Filipinos and foreigners. It is possible that such cultural differences (e.g., manner of speaking, tone of voice) and unconscious biases may cause misunderstanding or distort the decision-making process. Cultural sensitivity trainings for both management and workers may provide a means to bridge this gap.	100% Implemented Training on “Appreciating Cultural Diversity & Differences in the Workplace” held on 31 August 2021.	
Alleged mistreatment of workers by certain supervisors				The mistreatment of workers by Ms. E has been a recurring issue. The investigator is concerned that the Charter Link management has been unable to completely rein in Ms. E and prevent her from doing objectionable acts (e.g., cussing and shouting at workers, threatening workers with penalties.) Management should monitor Ms. E’s conduct and ensure that the policies of the company that protects workers from

Issues/Allegations	April 2021 Independent Investigation Report Findings	Recommended Corrective Action Plan (CAP) April 2021 Independent Investigation Report	Recommended CAP (as of January 2022)	Findings and Further Actions (2021-2022 Verification Process)
				<p>harassment and protects their dignity are enforced.</p> <p>This is a matter that the Charter Link can monitor through the help of the CLIEU-FFW and the soon-to-be organized Labor Management Council.</p>
Recommendations for lululemon’s consideration	Not applicable	<p>lulemon should continue monitoring the situation in the factory, especially during the following important periods, which will occur in the next few years:</p> <ul style="list-style-type: none"> (i) Renegotiation of the CBA which should start not later than July 2023. (ii) “Freedom period” (June-July 2024) and the few months preceding this period. During the 60-day “freedom period” before the expiration of the CBA (assuming the signed CBA is ratified by the workers), any legitimate labor organization may question the majority status of the CLIEU-FFW as SEBA. Enhanced monitoring during this time may be advisable to ensure that the issues, which occurred in 2019-2020 will not be repeated. 	Not yet due for implementation	Not applicable

Annex A Results of 25 November 2021 Workers' Survey

Q1: How long have you been working in this factory?

1 year or less	272	42%
2 years	42	6.48%
3 years	72	11.11%
4 years	17	2.62%
More than 4 years	224	34.57%
Void/No Response	21	3.24%
TOTAL	648	

Q2 If you have rendered overtime, were you informed ahead of time about the overtime? (Respondent can answer more than once)

Yes – I was informed MORE THAN 1 DAY BEFORE the OT	258
Yes – I was informed 1 DAY BEFORE the OT	158
Yes – I was informed on the same day of the OT BEFORE lunchbreak	235
Yes – I was informed on the same day of the OT AFTER lunchbreak	42
No – I was not informed	13

Q3: If you have done overtime in the last 11 months, on average how much overtime have you rendered per week? Please choose the highest number of OT hours that you had to do in one week.

3 hours or less	132	20.37%
4-6 hours	66	10.19%
7-9 hours	9	1.39%
10-12 hours	83	12.81%
More than 12 hours	345	53.24%
Void/No Response	13	2.01%
TOTAL	648	

Q4: What best describes your overtime experience?

I was free to accept or not accept OT work	459	70.83%
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I am ALWAYS forced by factory managers or supervisors to do OT work	55	8.49%
SOMETIMES, I am forced by factory managers or supervisors to do OT	107	16.51%
Void/No Response	27	4.17%
TOTAL	648	

Q5: If you rendered overtime without your consent in the past 11 months? (Respondent can answer more than once)

January 2021	31
February 2021	35
March 2021	31
April 2021	33
May 2021	33
June 2021	38
July 2021	45
August 2021	48
September 2021	44
October 2021	57
November 2021	69
Not applicable – No overtime against my wishes	391

Q6: In the last 11 months, what was the highest number of workhours, which you rendered in one week.

Below 48 hours	149	22.99%
Exactly 48 hours	33	5.09%
49-55 hours	30	4.63%
56-60 hours	70	10.8%
61-65 hours	129	19.91%
66-70 hours	45	6.94%
71-75 hours	32	4.94%
More than 75 hours	67	10.34%
Void/No response	93	14.35%
TOTAL	648	

Q7: Have you ever worked in a week without any day off or rest day (example, Sunday)?

Yes, I OFTEN work in a week without a day off or rest day	10	1.54%
Yes, I SOMETIMES work in a week without a day off or rest day	40	6.17%
We have a rest day or day off, at least once a week	569	87.8%
Void/No Response	29	4.48%
TOTAL	648	

Q8: Are you a member of a union?

Yes – Charter Link Inc. Employees Union – Federation of Free Workers (CLIEU-FFW)	139	21.45%
Yes – Charter Link Employees Union (CLEU)	28	4.32%
Yes – Other Union	11	1.7%
No – Not a Member of any Union	384	59.26%
Void/No Response	86	13.27%
TOTAL	648	

Q9: If you are a union member, why did you join your union? (Respondent can answer more than once)

To get better pay and benefits	42
To get legal protection	69
To get job security	27
To address issues on working conditions in the factory (e.g., workplace safety, health, and security)	93
The union I joined is supported by management	9
To establish a good relationship between management and workers	120
The union I joined is supported by co-workers and friends in the factory	25
To have a good relationship with fellow workers	41
Other reasons	FFW treats us well Fight for workers' rights and welfare For a just management of the company For balance so that workers are heard For protection from undue punishments For unity for the benefit of the company Respect for workers' dignity and protection from Unfair policies

	Salary and health care benefits So that employers follow the law To change the strategy of the employers To fight for workers' rights and fight abuse To fight unfair management policies To have medical assistance To remove Ms. E from her position
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Q10: Do you agree or disagree with this statement: The factory management or line leaders have discouraged me from joining a union.

Strongly Agree	73	11.27%
Agree	46	7.1%
Undecided	101	15.59%
Disagree	161	24.85%
Strongly Disagree	101	15.59%
Void/No Response	166	25.62%
TOTAL	648	

Q11: If you said that the management or line leaders are discouraging you from joining a union, what did they say or do to discourage you?

Company might close down because of unions	9
Don't join a union because it disrupts work	5
Even without unions, company will give what the workers need	1
I'm not allowed to join because I'm new	1
It's not good to be part of a union	2
There's threat of dismissal if you join a union	3
Management organized a free merienda where they told us that unions won't do us any good and that the company will close because of unions	1
Management told us not to join a union	2
Management told us that we will not be accepted by other companies if we join a union	1
They said I won't get anything from unions	3
Sometimes they discourage us	1
They questioned why I joined	1

They said we shouldn't fight them regarding their decisions	1
They scared us that joining means no OT or leaves	1
They told me I'll receive heat with management if I join	2
They told me joining unions will give me a bad reputation	1
They told me not to say yes	1
They told me that we were accepted to work and not join unions	1
They told me there's no sense in joining since salaries are already enough	1
They told me they already give everything we need when in fact, it's not enough	1
They told us not to join without saying why	2
They told us that joining unions will not get us anywhere	1
They told us that we might be like those who were removed	1

Q12: Have any of your fellow employees pressured you to join a union?

No – None of my co-workers pressured me to join a union	499	77%
Yes – I was pressured by my fellow employees to join the union	10	1.54%
Void/No Response	139	21.45%
TOTAL	648	

Q13: Do you agree or disagree with this statement: The company disciplinary policies are clear to me.

Strongly Agree	161	24.85%
Agree	234	36.11%
Undecided	120	18.52%
Disagree	54	8.33%
Strongly Disagree	27	4.17%
Void/No Response	52	8.02%
TOTAL	648	

Q14: Do you agree or disagree with this statement: The penalties for company rule violations are known and fair to me.

Strongly Agree	98	15.12%
Agree	214	33.02%
Undecided	139	21.45%
Disagree	103	15.9%
Strongly Disagree	35	5.4%
Void/No Response	59	9.1%
TOTAL	648	

Q15: Do you agree or disagree with this statement: The investigation procedure for company violations is fair and I have the opportunity to defend myself.

Strongly Agree	148	22.84%
Agree	227	35.03%
Undecided	112	17.28%
Disagree	65	10.03%
Strongly Disagree	27	4.17%
Void/No Response	69	10.65%
TOTAL	648	

Q16: Has the factory provided you training or orientation on company policies and investigation procedures?

Yes	428	66.05%
None	74	11.42%
Undecided	96	14.81%
Void/No Response	50	7.72%
TOTAL	648	

Q17: Do you agree with this statement: The management hears our complaints. There is a process to report our grievances to the management.

Strongly Agree	114	17.59%
Agree	164	25.31%
Undecided	163	25.15%
Disagree	97	14.97%
Strongly Disagree	46	7.1%
Void/No Response	64	9.88%
TOTAL	648	

Q18: Have you experienced any bad treatment, abuse or discrimination by factory management?

Yes – Often	32	4.9%
Yes – Sometimes	122	18.83%
No	414	63.89%
Not Sure	33	5.09%
Void/No Response	47	7.25%
TOTAL	648	

Q19: If you experienced bad treatment, abuse, and discrimination, can you describe it below?

Management humiliates employees and treat us badly. They even cuss at us. Notably Ms. E and Ms. F.	60
We are forced to do overtime work even if we have legitimate reasons to refuse doing so	24
Management arbitrarily removes our option to do overtime work	16
Disciplinary actions are too strict	11
It's difficult to ask for a leave	7
Holiday swapping	3
Incentives are not provided as promised	3
There's favoritism in allowing refusal of OT.	3
They forced us to take the vaccine or else we'll pay for antigen tests every 2 weeks	2
No transport option for people who do overtime work	2
Delayed pay slips	2
Breaks are too short	1
Discrimination because I'm part of a union	1
I have a coworker who dumps stuff near me that's bad for my ears	1
Management doesn't listen to our explanations regarding quota	1
Quotas kept on increasing whenever we reach our quota	1
Slow lines outside gates	1

The nurse is disrespectful when we talk to her	1
There are people in HR who are disrespectful towards us and won't answer our questions	1
They don't listen to our concerns	1
When someone tested positive for COVID, they still didn't allow us to go home	1

Q20: In general, are you satisfied with your work in the factory?

Very Satisfied	105	16.2%
Satisfied	337	52%
Undecided	103	15.9%
Not Satisfied	20	3.09%
Very Unsatisfied	13	2.01%
Void/No Response	70	10.8%
TOTAL	648	

Q21: Do you have anything additional to say about your workplace, whether positive or negative?

Better treatment from line leaders and management (stop shouting and humiliating people). <i>[Note: The names of managers accused of verbal abuse have been withheld from publication but reported to Charter Link management.]</i>	82
Arbitrary rules in giving out incentives and allowances	49
Benefits need to be updated to address the needs of employees such as provision of health cards, insurance benefits, etc.	47
Allow employees to refuse OT	43
Appeal for higher salary	39
Complaint about holiday swapping	34
Delay in pay slips	18
Arbitrary rules on overtime work being implemented	18
Charter Link treats us right with timely salary and incentives	17
Comfort rooms need to be fixed	16
Fair and equal treatment of employees	16
Request for more transport options especially for people who do overtime work	13

Quota too high and they increase whenever we reach it	11
We need more lockers to protect our belongings	10
Request for the provision of canteen services especially for those who need to do overtime work	8
We need more biometrics to speed up the process of going home	7
Appeal for better company policies	7
Computation of SSS, PAGIBIG, loan contribution needs adjustment	6
Delays in paying our SSS, loans, and PAGIBIG contributions	5
Request for additional service boy for operations	4
Adjust 13th month pay computation	4
More parking spaces	4
Workplace not conducive because of the heat	4
Hoping the company lasts long	3
Health declaration when entering premises takes too much time	3
Return the start of work to 7:30am	3
Break time is not enough.	2
Discouraged to make appeals because no action was done before	2
Hoping 3 months is enough to be probationary and 6 months is enough to be a regular employee.	2
Unity between management and union please	2
Employees are delegated to departments they didn't apply for and they get reprimanded for tasks beyond their skillsets	1
Fixes needed for water pipes and roofs	1
Forced antigen tests so we are forced to get vaccine	1
Stop shuffling our designated lines	1
Hoping HR answers our questions with respect	1
Hoping HR can use the CCTV footages to retrieve lost items	1
Hoping salaries are given in cash. Pay slip should be included in the giving out of salaries.	1
HR serves suspension during off-season. They leave suspensions pending until then.	1

Lack of supplies to be used for production	1
Salaries given by check must be advanced.	1
They didn't give everyone who took the vaccine the promised PhP 1,500	1

Annex B Survey Questionnaire with Filipino Translation

1. How long have you been working in this factory? (Gaano ka na katagal dito sa factory?)

	1 Year or Less
	2 Years
	3 Years
	4 Years
	More than 4 years

2. If you have rendered overtime, were you informed ahead of time about the overtime? (Noong nag-OT ka, gaano katagal ang abiso sa iyo na may OT na mangyayari?)

	Yes – I was informed more than 1 day before the OT <i>Oo – Nasabihan ako na may OT mahigit isang araw bago yung OT.</i>
	Yes – I was informed 1 day before the OT <i>Oo – Nasabihan ako na may OT isang araw bago yung OT</i>
	Yes – I was informed on the same day of the OT before lunchbreak <i>Oo – Nasabihan ako na may OT bago ang lunchbreak sa mismong araw ng OT</i>
	Yes – I was informed on the same day of the OT after lunchbreak <i>Oo – Nasabihan ako na may OT pagkatapos ng lunchbreak sa mismong araw ng OT</i>
	No – I was not informed. <i>Hindi ako nasabihan bago ang OT.</i>

3. If you have done overtime in the last 11 months, on average how much overtime have you rendered per week? Please choose the highest number of OT hours that you had to do in one week. (Kung nag-OT ka sa nakalipas na 11 buwan, ilang oras bawat linggo ang iyong OT? Piliin ang pinakamataas na bilang na OT na nagawa mo sa isang linggo.)

	3 hours or less
	4-6 hours
	7-9 hours
	10-12 hours
	More than 12 hours

4. What best describes your overtime experience? Alin dito ang pinakatamang paglalarawan sa iyong pag-OT?

	I was free to accept or not accept OT work. <i>Malaya akong pumayag o tumanggi na mag-OT.</i>
	I am always forced by factory managers or supervisors to do OT work. <i>Palagi akong pini-pwersa ng managers o supervisors na mag-OT.</i>

	<p>Sometimes, I am forced by factory managers or supervisors to do OT. Paminsan-minsan ako ay pinipilit ng managers o supervisors na mag OT.</p>
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5. If you rendered overtime without your consent in the past 11 months? Check as many boxes as applicable. (Kung nag-OT ka nang labag sa iyong kalooban, kailan ito nangyari? I-check lahat ng boxes kung kailan ito nangyari.)

	January 2021
	February 2021
	March 2021
	April 2021
	May 2021
	June 2021
	July 2021
	August 2021
	September 2021
	October 2021
	November 2021
	Not Applicable – No overtime against my wishes. / <i>Hindi ako nag-OT nang labag sa aking kalooban.</i>

6. In the last 11 months, what was the **highest number** of workhours, which you rendered in **one week**. Sa nakaraang 11 buwan, ano ang **pinakamaraming** oras na ginugol mo sa trabaho sa factory sa loob ng isang linggo?

	Below 48 hours
	Exactly 48 hours
	49-55 hours
	56-60 hours
	61-65 hours
	66-70 hours
	71-75 hours
	More than 75 hours / <i>Higit pa sa 75 hours</i>

7. Have you ever worked in a week without any day off or rest day (example, Sunday)? Nagtrabaho ka ba sa isang linggo nang direktso at walang araw ng pahinga o day off (halimbawa, tuwing linggo)?

	<p>Yes, I often work in a week without a day off or rest day. <i>Oo, palagi akong walang day-off o araw ng paghinga sa loob ng isang linggo.</i></p>
	<p>Yes, I sometimes work in a week without a day off or rest day.</p>

	Oo, paminsanminsang wala akong day-off o araw ng pahinga sa loob ng isang linggo.
	We have a rest day or day off, at least once a week. Mayroon kaming isang day-off o araw ng pahinga sa loob ng isang lingo.

8. Are you a member of a union? (*Miyembro ka ba ng union?*)

	Yes – Charter Link Inc. Employees Union – Federation of Free Workers (CLIEU-FFW)
	Yes – Charter Link Employees Union (CLEU)
	Yes – Other Union (Oo- Ibang union)
	No – Not a Member of any Union

9. If you are a union member, why did you join your union? Choose as many boxes as applicable. (Bakit ka sumali ng union? Maaari kang mag-check ng higit sa isang box?)

	To get better pay and benefits. / <i>Para mas makakuha ng mataas na suweldo at benepisyo.</i>
	To get legal protection. / <i>Para makakuha ng tulong pang-legal.</i>
	To get job security. / <i>Para makasiguro na may trabaho ako.</i>
	To address issues on working conditions in the factory (e.g., workplace safety, health, and security) / <i>Para bumuti ang kondisyon sa loob ng factory.</i>
	The union I joined is supported by management. / <i>Dahil suportado ng management ang union ko.</i>
	To establish a good relationship between management and workers. / <i>Para magkaroon ng mahusay na relasyon ang management at empleyado.</i>
	The union I joined is supported by co-workers and friends in the factory. / <i>Dahil suportado ng mga kaibigan at kapwa empleyado ang union.</i>
	To have a good relationship with fellow workers. / <i>Para magkaroon ako ng mahusay na relasyon sa kapwa ko empleyado.</i>
	Other reason (please state reason) <i>Iba pang dahilan:</i> _____ _____

10. Do you agree or disagree with this statement: The factory management or line leaders have discouraged me from joining a union. (*Sumasangayon ka ba dito: Ang mga factory management o line leaders ay hinihikayat o iniimpluwensiyahan ako na huwag sumama sa union.*)

	Strongly Agree / Ako ay lubos na sumasangayon
	Agree / Sumasangayon ako.
	Undecided / Hindi ako sigurado.
	Disagree / Hindi ako sumasangayon
	Strongly Disagree / Lubos akong hindi sumasangayon.

11. If you said that the management or line leaders are discouraging you from joining a union, what did they say or do to discourage you? Kung hinihikayat o iniimpluwesiyahan ka ng management o line leaders na huwag sumali sa union, ano ang kanilang ginawa or sinabi sayo?

12. Have any of your fellow employees pressured you to join a union? Na-pwersa ka ba ng mga kasamahan mo sa trabaho na sumali sa unyon?

	No – None of my co-workers pressured me to join a union. Hindi ako pinuwera ng mga katrabaho ko na sumali sa unyon.
	Yes, I was pressured by my fellow employees to join the union. Oo, ako ay pinuwera ng mga katrabaho ko na sumali sa unyon.

13. Do you agree or disagree with this statement: The company disciplinary policies are clear to me. (Sumasangayon ka ba dito: Maliwanag sa akin ang patakaran sa disiplina ng factory)

	Strongly Agree / Ako ay lubos na sumasangayon
	Agree / Sumasangayon ako.
	Undecided / Hindi ako sigurado.
	Disagree / Hindi ako sumasangayon
	Strongly Disagree / Lubos akong hindi sumasangayon.

14. Do you agree or disagree with this statement: The penalties for company rule violations are known and fair to me. (Sumasangayon ka ba dito: Ang mga parusa sa paglabag ng factory policies ay maliwanag at patas sa akin.)

	Strongly Agree / Ako ay lubos na sumasangayon
	Agree / Sumasangayon ako.
	Undecided / Hindi ako sigurado.
	Disagree / Hindi ako sumasangayon
	Strongly Disagree / Lubos akong hindi sumasangayon.

15. Do you agree or disagree with this statement: The investigation procedure for company violations is fair and I have the opportunity to defend myself. (*Sumasangayon ka ba dito: Ang imbestigasyon kapag kapag may paglabag sa factory policies ay patas at may pagkakataon ako para sagutin ang mga paratang sa akin.*)

	Strongly Agree / Ako ay lubos na sumasangayon
	Agree / Sumasangayon ako.
	Undecided / Hindi ako sigurado.
	Disagree / Hindi ako sumasangayon
	Strongly Disagree / Lubos akong hindi sumasangayon.

16. Has the factory provided you training or orientation on company policies and investigation procedures? (*May training o orientation ba tungkol sa mga patakaran ng factory at proseso ng imbestigasyon kapag may paglabag sa mga patakaran?*)

	Yes / May training o orientation.
	None / Walang training or orientation.
	Undecided / Hindi ako sigurado.

17. Do you agree with this statement: The management hears our complaints. There is a process to report our grievances to the management. (*Sumasangayon ka ba dito: Dinidinig ng management ang reklamo ng mga empleyado at may paraan upang maiparating namin ang mga reklamo namin sa management.*)

	Strongly Agree / Ako ay lubos na sumasangayon
	Agree / Sumasangayon ako.
	Undecided / Hindi ako sigurado.
	Disagree / Hindi ako sumasangayon
	Strongly Disagree / Lubos akong hindi sumasangayon.

18. Have you experienced any bad treatment, abuse or discrimination by factory management? (*Nakaranas ka ba ng pagmamaltrato, pang-aabuso o diskriminasyon mula sa management?*)

	Yes – Often / Oo – Palagi
	Yes – Sometimes / Oo – Minsan
	No / Hindi
	Not Sure / Hindi sigurado

19. If you experienced bad treatment, abuse, and discrimination, can you describe it below? (*Kung nakaranas ka ng pang-aabuso o diskriminasyon, maari mo bang ibahagi o i-explain ito?*)

20. In general, are you satisfied with your work in the factory? Sa pangkalahatan, masaya ka ba sa trabaho mo sa factory?

	Very Satisfied. / <i>Lubos na masaya.</i>
	Satisfied. / <i>Masaya ako.</i>
	Undecided. / <i>Hindi sigurado.</i>
	Not Satisfied. / <i>Hindi ako masaya</i>
	Very Unsatisfied. / <i>Ako ay lubos na hindi masaya.</i>

21. Do you have anything additional to say about your workplace, whether positive or negative? (*May iba ka pa bang gustong sabihin tungkol sa factory, positibo man or negatibo?*)

Annex C Structure of the Labor Management Council Proposed by the CLIEU-FFW

TYPICAL LMC STRUCTURE

STEERING COMMITTEE	
Workers	Management
1.	1.
2.	2.
3. 3.	
4.	4.
5.	5.



LMC-STEERING COMMITTEE



