



**SUMMARY REPORT
THIRD PARTY COMPLAINT
MONGRU NECKWEAR
(UNITED STATES)**

On May 28, 2015, a representative of Workers United, the union that represents workers at the factory Mongru Neckwear, located in Long Island City, New York, filed a complaint with the Fair Labor Association (FLA) alleging that Category B Licensee FLA-affiliated company Vineyard Vines had failed to remediate noncompliances identified by the FLA during a Sustainable Compliance (SCI) assessment conducted in December 2014 at said factory. Vineyard Vines and Mongru Neckwear had a long-term commercial relationship and Vineyard Vines was sourcing from Mongru Neckwear at the time of the SCI assessment. The complainant alleged that rather than remediating the identified noncompliances, Vineyard Vines had stopped sourcing from Mongru Neckwear and shifted its orders to another factory in April 2015. The alleged action is inconsistent with Principle 7 of the FLA's Principles of Fair Labor and Responsible Sourcing, Timely and Preventative Remediation.¹

The FLA accepted the case for review under the Third Party Complaint procedure and moved it to Step 2. Pursuant to Step 2, the Participating Company or College or University Licensee has up to 45 days to investigate the alleged noncompliance internally and inform the FLA. Vineyard Vines chose to waive the Step 2 investigation and the FLA moved the case to Step 3 of the process. Under Step 3, the FLA engaged an independent expert to re-assess the factory and to determine the extent to which findings from the December 2014 SCI assessment had or had not been remediated.

FLA Assessment and Recommendations

The FLA engaged the independent expert who conducted the December 2014 SCI assessment to re-visit the factory and gauge the status of remediation with respect to the noncompliances previously identified. The independent expert visited Mongru Neckwear in early July 2015, met with management and workers, reviewed documentation, and conducted a visual inspection of the facility. The expert issued a report, following the format of the December 2014 SCI assessment, with detailed information on the status of remediation regarding each of the findings.²

The FLA provided the report of the independent expert to the complainant as well as to Vineyard Vines representatives. Mongru Neckwear management also provided additional

¹ Principle 7--Timely and Preventative Remediation: Company Affiliate works with suppliers to remediate in a timely way and preventative manner. See <http://www.fairlabor.org/our-work/principles>.

² The report of the December 2014 FLA assessment updated to reflect the revisit by the independent assessor in July 2015 is available at <http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1713&Fdn=13&Fna=AA000000614%5F2014%2Epdf>

information in the form of a copy of the Employee Manual, which was distributed to workers on July 30. Overall, the assessment showed significant progress with respect to many, but not all, of the items identified for remediation, suggesting that there is room for improvement and additional remediation.

In view of the progress in remediation, the FLA recommended to Vineyard Vines representatives that the company engage in direct conversations with Mongru Neckwear to discuss aspects of the remediation plan and its sustainability, with a view to exploring the possibility of the reestablishment of commercial relations between the two companies.

CONCLUSION AND NEXT STEPS

The FLA has been informed by Vineyard Vines and Mongru Neckwear management that direct conversations between them are ongoing and at least one face-to-face meeting was held in September 2015. Vineyard Vines informed the FLA that it intended to place a few test orders with Mongru to check on quality and timeliness of production. Further, Vineyard Vines informed the FLA that it would continue to monitor open issues identified in the FLA report and the sustainability of the remediation.

We have been further informed by Vineyard Vines that one or more test orders were placed with Mongru Neckwear in the second half of 2015. This has been confirmed by Mongru Neckwear management. Vineyard Vines has also informed the FLA that it is keeping the local union of Workers United abreast of its relations with the factory; the FLA tried to get confirmation of this from the union but did not receive a response.

The ongoing dialogue between Vineyard Vines and Mongru, the placement of test orders, and the monitoring by Vineyard Vines of remediation are positive steps. The FLA recommends that going forward, Vineyard Vines continue its dialogue with Mongru Neckwear, seek to return to its previous commercial relationship with Mongru Neckwear, support further remediation at the factory, and continue to keep the union abreast of developments.