



COLOSSEUM ATHLETICS

ASSESSMENT FOR ACCREDITATION

February 2017

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INTRODUCTION

This report provides an assessment of the labor compliance program of Colosseum and concludes with a recommendation to the FLA Board of Directors regarding the accreditation of the company's program.



When joining the FLA, Participating Companies and Participating Suppliers commit to implementing the [FLA Workplace Code of Conduct](#), which ensures “respectful and ethical treatment of workers” and “promotes sustainable conditions through which workers earn fair wages in safe and healthy workplaces.” The [Principles of Fair Labor and Responsible Sourcing / Production](#) (“Principles”) serve as the standards against which Participating Companies and Participating Suppliers are assessed towards an accreditation of their labor compliance program. Participating Companies and Participating Suppliers with accredited compliance programs have demonstrated that they have the systems and procedures in place needed to successfully uphold fair labor standards throughout their supply chains.

The FLA accreditation process involves staff conducting due diligence on the performance of a Participating Company or Participating Supplier during the implementation period. The FLA will assess the implementation of all Principles to ensure a social compliance program has been implemented to accommodate the supply chain expansion. This assessment involved testing a selection of data points or information sources to verify actions by the company. Sources of information may include:

- 1) Affiliate Headquarter Assessment: Assessments at headquarters and field offices to interview staff involved in compliance and in other functions, and to review documentation, processes, and database capabilities. In some cases, the offices of agents are visited as well. In countries where the FLA is not able to conduct in-person assessments, interviews are conducted by phone with company staff involved in compliance and in other functions
- 2) FLA Factory Level Assessments: Independent External Monitoring (IEM), Independent External Verification (IEV), and Sustainable Compliance Initiative (SCI) assessments are all sources of information on compliance issues and remediation efforts.
- 3) Annual Reports: Affiliate reports for each year of implementation provide data on the evolution of an affiliate's compliance program in line with FLA Principles.
- 4) FLA Third Party Complaints: Where relevant, an affiliate's involvement in, and responsiveness to, FLA Third Party Complaints provide additional insight into compliance programs and remediation strategies.
- 5) FLA Strategic Projects: Where relevant, an affiliate's participation in FLA Strategic Projects provides opportunities to learn about the affiliate's compliance strategies for detecting and remediating complex issues.
- 6) Observation: Wherever possible, FLA staff accompanied affiliate compliance staff on internal audits, training sessions or remediation visits.
- 7) Routine Interactions: Information on the affiliate's compliance program has also been collected through discussions and interactions with affiliate compliance staff during each year's program. Exchanges with civil society organizations and other stakeholders interacting with the affiliate provide additional perspective.

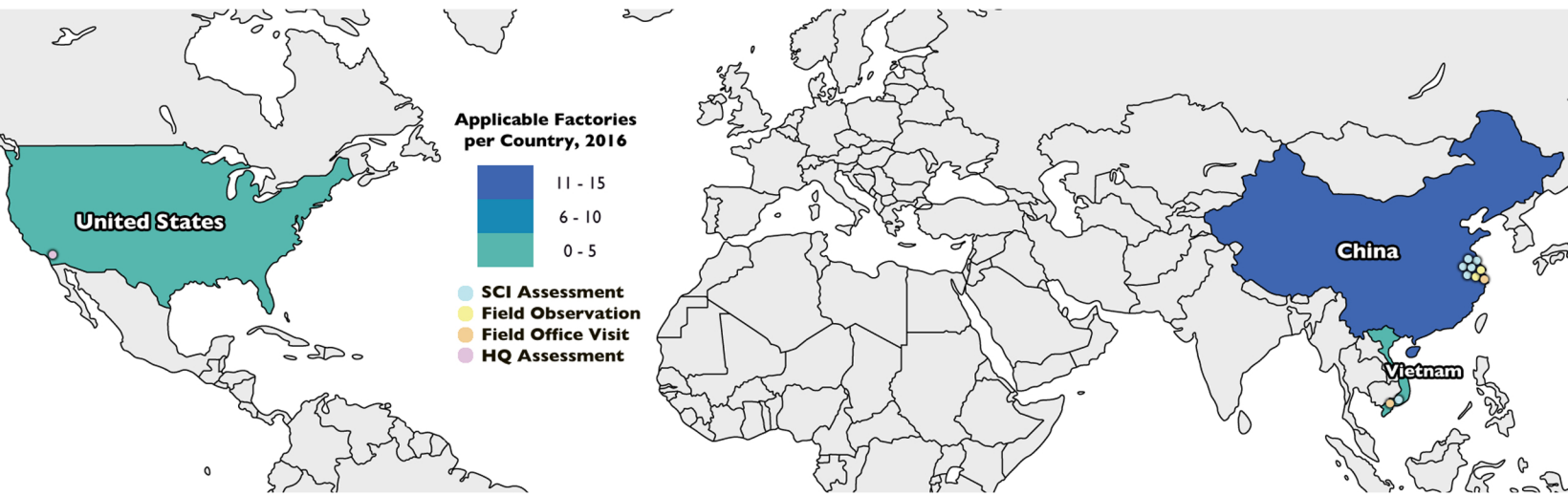
SECTION 1: COLOSSEUM COMPANY AFFILIATE OVERVIEW

Name of Company		Colosseum Athletics	
Category	Participating Company	Location	Los Angeles, CA, USA
Product/s	Apparel	Current Number of Applicable Facilities	17
FLA Affiliation Month/Year	February 2014	End of Implementation Period	February 2017
FLA Accreditation Lead/Support	Accreditation Lead: Indrani de Silva, Senior Business Accountability Associate Accreditation Support: Jennifer Caruso, Associate Director of Business Accountability; Joe Shen, East Asia Regional Manager; and Bril Lacno, Southeast Asia Regional Manager		
Unique Company Characteristics	<ol style="list-style-type: none"> 1) Colosseum Athletics, a privately owned collegiate apparel manufacturer, holds 450 licensing agreements with colleges and universities across the nation. 2) Colosseum ranks as the fourth largest collegiate apparel company in the U.S. 3) Colosseum has exhibited significant leadership in social compliance by designating a Director of CSR who reports directly to senior management and who has the potential to grow her own department. 		
Summary of Key Strengths	<ol style="list-style-type: none"> 1) The Company integrated a Corporate Social Responsibility (CSR) perspective in daily business operations; 2) The Company made a public commitment to uphold workplace standards through internal accountability mechanisms in its supply chain; 3) The Company devoted resources to data collection and analysis to inform the Corporate Responsibility program and responsible purchasing practices 4) The Company implemented comprehensive procedures and training for its assessment methodology throughout its global supply chain; and 5) The Company demonstrated leadership through its proactive collaboration with CSOs, associations, and other brands to improve workplace conditions. 		
Summary of Key Suggestions for Strengthening	<ol style="list-style-type: none"> 1) Further standardize verification system measuring the effectiveness of trainings completed by Colosseum staff, assessors, suppliers, and workers; 2) Ensure the implementation of a mechanism to capture the effectiveness of grievance channels at the factory level; 3) Further develop social compliance expertise and exposure for Colosseum's regional team in Vietnam that incorporates best practices and compliance oversight at the factory level; 4) Further develop internal monitoring practices that allow for greater visibility into the audit methodology/tools used across the supply chain, while ensuring the inclusion of all FLA benchmarks; and 5) Further deepen engagement with factory management to solicit feedback and develop constructive dialogue around purchasing and production challenges that result in negative impacts on workers. 		

Colosseum Athletics is a privately held business located in Compton, California. Colosseum was founded in 1992 as a cap company by Stuart Whang, CEO and founder. Colosseum first joined the FLA as a Category C Licensee and became a Category B Licensee in 2007. Colosseum joined the FLA as a Participating Company¹ (PC) in February 2014, selecting a three-year implementation period. Within Colosseum's scope of FLA affiliation are the following college licensing businesses: Colosseum, Stadium Athletics, College Field House Classics, Campus Heritage Collection, Chiliwear, and MCMXCII (C92). Colosseum has 211 employees, which comprise of headquarters staff, Shanghai regional staff, and The Cotton Shop (TCS) employees in Vietnam.

Colosseum adopted the FLA Workplace Code of Conduct in 2014. In January 2014, the company hired the Compliance Manager, who reports to the Director of Licensing and Corporate Social Responsibility (CSR) for Colosseum. The Compliance Manager is responsible for the implementation of Colosseum's compliance program and stakeholder engagement. Also in 2014, Colosseum hired a CSR Coordinator, who reported to the Compliance Manager and was responsible for supporting the implementation of the compliance program in Colosseum's Shanghai regional office. Colosseum originally owned one facility in Vietnam, The Cotton Factory (TCF), which was a production facility with a workforce of 600. In Spring 2016, Colosseum restructured this facility, renaming it The Cotton Shop (TCS) and reducing the production workforce to 60 with two sewing lines to support minimal production. The facility acts as a regional operations hub with a focus on distribution and merchandising. Additionally, the regional office is responsible for sourcing, merchandising, production, and social compliance oversight of all contracted facilities in Vietnam. TCS recently hired for the role of Compliance Coordinator in April 2016.

¹ In February 2007, the FLA Board of Directors established a Working Group to analyze and make recommendations regarding the accreditation of small or low-revenue PC (low-revenue PCs were defined as those with consolidated revenue under \$300 million). The rationale for the establishment of the Working Group was that small or low-revenue PC faced challenges in meeting all the FLA company obligations in the same manner that larger PC could do. In October 2007, the Board of Directors approved a series of proposals developed by the Working Group that modified the accreditation process for low-revenue PC by: (1) allowing low-revenue PC a longer implementation period, which could be as long as 5 years provided satisfactory progress in implementing a labor compliance program was being made; (2) maintaining the same company obligations for all participants but recognizing that low-revenue PC could meet some of the company obligations primarily through collaborative activities organized by the FLA rather than through individual activities; and (3) taking into account this latter consideration in the evaluation of compliance programs for accreditation purposes. This assessment for accreditation of Colosseum's labor compliance program follows the guidelines for low-revenue PC approved by the Board in February 2014.



SECTION 2: COLOSSEUM’S SUPPLY CHAIN & FLA DUE DILIGENCE ACTIVITIES FROM 2014-2017

The above map shows Colosseum’s sourcing countries and the number of factories in each highlighted country. Colosseum sources from China, Vietnam, and the United States and has a total of 16 contract suppliers and one owned facility in its scope of FLA-applicable facilities. Upon affiliation, Colosseum’s applicable factory scope included Colosseum-branded apparel. In 2014, Colosseum sourced from one owned facility and six contract facilities in China (four), Vietnam (one), and the United States (one). From 2014 to 2016, Colosseum expanded its production to include additional suppliers from China, Vietnam, and the United States, increasing its total number of suppliers from seven to 17. As a Category B Licensee, Colosseum received three SCIs, one IEV, four IEMs, including two aborted IEMs. In 2014, Colosseum discovered a case of attempted bribery by a supplier during an assessment. As a result, Colosseum developed its own internal Anti-Bribery/Corruption policy. The new policy is part of the Factory Compliance Guidance Manual, which is distributed throughout Colosseum’s supply chain. Assessments prior to 2014 are not depicted in the map above. From 2014 to 2017, Colosseum received two SCI assessments in China, and one SCI in Vietnam. In 2016, FLA staff conducted Colosseum’s headquarter assessment for Accreditation in Compton, California.

SECTION 3: ANALYSIS OF COLOSSEUM'S LABOR COMPLIANCE PROGRAM FOR ACCREDITATION

Information used in this assessment originates from annual reports submitted by Colosseum to the FLA verified through:

- 1) An assessment at Colosseum's headquarters conducted by FLA staff in November 2016;
- 2) Information gathered in person, via phone interviews, and through email correspondence with Colosseum staff;
- 3) Documentation review of supporting evidence submitted by Colosseum;
- 4) Field observations of two Colosseum factory-level assessments in China;
- 5) Field office visits of two Colosseum regional-level assessments in China and Vietnam;
- 6) Results of FLA Independent External Assessments at Colosseum-applicable facilities conducted by FLA assessors and accredited service providers;
- 7) Results of FLA Verification Assessments at Colosseum-applicable facilities conducted by FLA assessors to verify remediation efforts at the factory level; and
- 8) Communication with stakeholders.

PRINCIPLE 1: WORKPLACE STANDARDS²

Workplace Standards & Top Management Commitment

Colosseum first adopted the FLA Workplace Code of Conduct in 2014. In addition, Colosseum has adopted FLA's Compliance Benchmarks as the basis for implementation of the company's compliance benchmarks and revisions of its assessment tool.

Colosseum's leadership team is fully committed to integrating workplace standards into its business operations. The General Manager and the Director of Licensing and CSR have empowered the Compliance Manager to implement a compliance program dedicated to upholding Colosseum's workplace standards. Colosseum publically shares its commitment to social responsibility through its website, which further demonstrates the company's pledge to uphold workplace standards and reinforce senior management's commitment to make a positive impact in the communities in which the company operates.

PRINCIPLE 2: RESPONSIBILITY & HEAD OFFICE TRAINING³

Staff Responsible for Implementing the Social Responsibility Program

All new employees are required to participate in a social compliance orientation process that includes an explanation of the company's code of conduct. All Colosseum department heads and mid-level management — including Vice President of Sales, Vice President of Product Development, Director of Purchasing, Director of Merchandising, Sales Operations Manager, and Customer Service Manager — receive social compliance training and refresher training. The Director of Licensing and CSR publishes a newsletter distributed to university and industry partners. This newsletter features a section, "Compliance Corner," about Colosseum's social compliance policies. In addition, the Compliance Manager internally distributes an annual newsletter, "Colosseum Cares," which highlights Colosseum's social compliance activities throughout the year.

² Principle 1: Company affiliate establishes and commits to clear standards.

³ Principle 2: Company affiliate identifies and trains specific staff responsible for implementing workplace standards and provides training to all head office and regional staff.

The Compliance Department is responsible for developing and implementing Colosseum's compliance program. The department consists of the Compliance Manager, who is supported by two Compliance Coordinators, one in Shanghai and one in Vietnam. The Compliance Coordinator in Vietnam has a dual role as the Director of Accounting within the contracted facility. The Director of Accounting is supported by the HR Manager and the Import/Export Coordinator, who are responsible for different aspects of the compliance program at TCS in Vietnam. The Compliance Coordinator in Shanghai is dedicated solely to social compliance due diligence at the factory level. The Compliance Manager reports directly to the Director of Licensing and CSR for Colosseum.

In addition to its direct agreements with supplier factories, Colosseum works closely with an agent, who is responsible for understanding the company's compliance program and communicating its standards to the factory. The agency has dedicated a single employee to Colosseum's account, and that employee must sign the Colosseum Supplier Policy Agreement (as do all Colosseum's contract facilities), discussed further in Principle 3. The close relationship between Colosseum and the agent reinforces the company's commitment to due diligence within its operational practices across all of Colosseum's factories within China.

The FLA verified that the Compliance department is responsible for implementing Colosseum's compliance program throughout its supply chain through reviewing job descriptions and interviewing the Compliance Manager, General Manager, and Director of Licensing and CSR. FLA staff reviewed an internal draft of Colosseum's organizational chart to evaluate the reporting channels for the compliance team, General Manager, and the Director of Licensing and CSR. FLA staff reviewed job descriptions for the compliance department and verified that the responsibilities of the Compliance Manager include: leading Colosseum's social compliance efforts; identifying internal and external challenges and implementing solutions; providing subject-matter expertise on social compliance implications on business matters; and developing and managing stakeholder relationships to collaboratively address responsible purchasing and planning issues and initiatives. The Compliance Manager also oversees the audit cycle and review process; collects and analyzes factory audit data and compliance trends; and builds relationships with internal and external stakeholders.

Training Corporate Responsibility Staff & Assessors

The Compliance Manager has more than a decade of experience in the social compliance field, particularly as it pertains to collegiate licensed manufacturing. The Compliance Manager has developed a training strategy that supports both domestic and international compliance staff. All compliance staff receive training throughout the year on compliance issues, labor laws, remediation support, and capacity building at the factory level. The compliance staff has opportunities to attend in-person trainings and/or conferences such as the Ethical Sourcing Forum, and Verité and Eileen Fisher's meeting on vulnerable immigrant workers in the U.S.

Colosseum's Compliance Coordinator, based in Shanghai, works directly with the Shanghai Regional Director to train and implement Colosseum's social compliance program. In 2016, Colosseum hired a Compliance Coordinator at TCS in Vietnam. Colosseum's Compliance Coordinators both received training from the Compliance Manager via webinars, NGO meetings, and service provider trainings, which focus on capacity-building projects such as worker participation, union engagement, and effective worker-management communication channels. All regional staff have received training from the Shanghai-based Compliance Coordinator. The Compliance Coordinator in Shanghai and the agent's Compliance Coordinator have received factory capacity-building training from third-party service providers, Sumerra and Elevate.

Colosseum also outlines its compliance program and supplier requirements in a factory compliance manual.

Training All Colosseum Staff

All new hires in all locations must complete a mandatory compliance training that includes reviewing the company's code of conduct.

Since the FLA revised its Principles in 2015 to include expectations around responsible sourcing, the Compliance Manager has focused training efforts on all key department heads such as product development, merchandising, purchasing, sales operations, and customer service. Key departments have demonstrated knowledge of responsible purchasing and planning through quizzes and refresher training at annual sales meetings, prototype meetings, and in periodic consultation with the Compliance Manager.

During biannual sales meetings, the Compliance Manager presents compliance topics and trainings, and provides updates on Colosseum's compliance activities. The Compliance Manager works with the Compliance Coordinator to provide refresher training to Colosseum's Shanghai staff. At TCS, Colosseum's staff receives periodic training on the company's code of conduct.

In the latter half of 2016, TCS reconfigured its role in Colosseum's sourcing model by becoming a field office with regional staff responsible for merchandising, distributing, subcontracting, and managing a small production workforce. After TCS's restructuring, the Compliance Coordinator vacated their position. Colosseum hired a new compliance team and tasked it overseeing the daily operations, training, and oversight of Colosseum's social compliance program at the factory level in Vietnam.

This team is relatively new to the social compliance field, particularly at the factory level. Each team member has a dual role within the management of TCS. For example, the Compliance Coordinator is also the Chief Accountant for TCS. All staff members working to support the Chief Accountant, in his new compliance role, have additional jobs supporting import/export and human resources functions of TCS. There is a concern about how the new team will prioritize TCS's social compliance needs while balancing other business needs. The FLA recommends developing the new compliance team through a series of compliance-focused trainings with the goal of enhancing the effectiveness and implementation of TCS's social compliance program.



Code of Conduct Training in the Sewing Department at The Cotton Shop in Vietnam

PRINCIPLE 3: SUPPLIER TRAINING⁴**Supplier Commitment**

Colosseum requires all suppliers to sign its extensive Supplier Policy Agreement, which outlines all terms and conditions for producing Colosseum's products. Colosseum developed a Supplier Compliance Policy, which comprehensively explains expectations, processes, procedures, and helpful guidance for suppliers who are required to abide by Colosseum's standards.

The Supplier Policy Agreement includes FLA's Workplace Code of Conduct, compliance with applicable laws, zero-tolerance issues, employment practices and labor standards, and immediate action issues. The Supplier Policy Agreement also includes Colosseum's policies on assessments and remediation; other assessments suppliers may be subject to, such as FLA assessments; and additional policies, such as unauthorized subcontracting, legal compliance, ethical principles, and FLA affiliation. There are additional guidance materials on documentation, labeling, country of origin, invoicing, and export documentation.

Conditioning Future Business on Suppliers' Improvement of Working Conditions

Colosseum's Supplier Policy Agreement outlines the company's policy on the effect of factory assessment results on a supplier's eligibility for future orders. Factories are rated based on audit/assessment findings, critical issues, ethical issues, capacity for improvement, and management effort, attitude, and communication. In addition, factories with a high compliance score receive audit exemption and may be eligible for compliance projects.

Each factory receives an initial production score based on factory information and pre-sourcing audit results. Initial compliance scores are based on the following criteria: country risk; production process risk; compliance capacity and history; attitude and effort during approval process; and audit results. Once production is approved initially, each factory is assessed on its compliance every year thereafter using the Annual Compliance Scorecard and rating.

The Compliance Scorecard uses a weighting system to determine a rating for each assessment. After an assessment, each supplier receives a numeric rating of 1.00 through 5.00, with 5.00 being the highest. A factory must maintain a rating of at least 3.00 to be approved for production. A factory that receives a score between 2.00 and 2.99 can request a 30-day extension to improve to 3.00 and above, or else the approval may be revoked and the relationship terminated. Any score below 2.00 can only be appealed after 12 months and with Colosseum's approval. If an aborted audit occurs (i.e., the factory refuses entry to an auditor hired by Colosseum or the FLA), the factory will immediately cease production and will have 30 days to allow Colosseum staff and/or third-party auditors into the factory. If the factory fails to comply with this, Colosseum will revoke and terminate the relationship. Colosseum has an escalation policy for factories that fail to respond to requests for information, commitment to workplace standards, or request for improvement following an audit and/or assessment.

Workplace Standards Training & Accessibility for Workers

Colosseum has translated its code of conduct into five languages for its global supply chain. The FLA verified through field observations that Colosseum supplies large posters of its company's code of conduct to its contract facilities in local languages so that standards are clear and legible

⁴ Principle 3: Company affiliate obtains commitment and trains relevant supplier management on workplace standards and tracks effectiveness of supplier workforce training.

to workers. Colosseum uses the company's compliance database to track which factories have received and posted the code.

Colosseum assessors review documents including training logs and quizzes to ensure training on the code of conduct is provided to workers, supervisors, and managers, as well as to ensure that the factory is assessing effectiveness of the training. Colosseum confirms that workers are receiving code of conduct training by carrying out internal monitoring visits and evaluating knowledge gained through audit tools such as Elevate's Monitoring Questions Guidance Tool, FLA Benchmark Field Instructions, Foundational SCI Prompts Tool, and Colosseum's Third Party Supplemental Instructions.

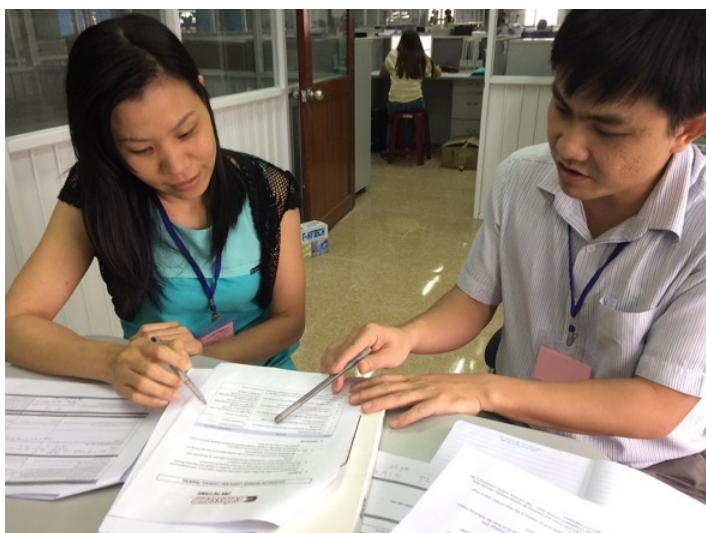
After conversations with the Compliance Manager and reviewing documents during the HQ assessment, the FLA could not confirm that all of Colosseum's suppliers obtain training feedback or gain test knowledge. The FLA recommends that Colosseum standardize its mechanisms for measuring the effectiveness of its training programs.

The Compliance Coordinator in Shanghai receives internal compliance training on both the company's code of conduct and the FLA Compliance Benchmarks. She, in turn, works, in both China and Vietnam, with factory management, the agent, and the workers to deliver meaningful examples of factory-level worker awareness as it relates to employee relations and due diligence.

PRINCIPLE 4: FUNCTIONING GRIEVANCE MECHANISMS⁵

Assessing for Functioning Grievance Mechanisms

Colosseum assesses grievance mechanisms in its factory assessment process. Colosseum gives third-party service providers and their assessors supplemental instructions to evaluate a factory's grievance procedure. The assessment tool includes verification of a confidential reporting channel or grievance system, written grievance procedures, regular investigation of submitted



Colosseum Compliance staff reviewing a factory's Corrective Action Plan (CAP)

grievances, responses provided by management, and communication on the grievance procedures. Additionally, Colosseum's recommended best practice in its Factory Grievance Procedures and assessment tool is that the factory has a grievance committee that includes worker representatives. The Factory Compliance Guide, which includes the standard operating procedures for grievances, includes guidance on the implementation of a functioning grievance mechanism at the factory level. For example, the factory management should review records of all grievances or suggestions submitted through both informal and formal channels, tracking frequency and types of complaints, which will allow for

⁵ Principle 4: Company affiliate ensures workers have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

measuring the effectiveness of each channel. Questions for worker interviews on grievance mechanisms are included in the Third Party Supplemental Instructions provided to assessors during Colosseum's internal monitoring auditing visit. Additionally, assessors are supplied with a contact information card template to complete with their information to give to workers during their interviews.

In the audit field observations conducted by the FLA, observers found that a percentage of workers were not aware of Colosseum's functioning grievance procedures and channels within the contracted facility. During the audit field observation in China, FLA staff verified that the factory management reviewed grievance policies and procedures; however, it was noted that training on grievance procedures may not have been effective in ensuring functioning grievance mechanisms. The FLA provided recommendations to Colosseum to continue to incorporate training on functioning grievance mechanisms when delivering factory-level training.

Grievance Mechanisms Guidance & Training for Suppliers

Colosseum's Factory Compliance Guide includes guidance on implementing Colosseum's Employment Relationship Standard. That guidance includes communicating the policy and procedures to workers, supervisors, and managers through knowledge testing of factory management. Additionally, Colosseum has a confidential reporting channel—Colosseum Worker Complaint Channel. With the assistance of a third-party service provider, Colosseum created a worker complaint poster in both Chinese and Vietnamese. The posters are displayed adjacent to the company's code of conduct on the factory floor. A contact person has been designated in every language (Chinese, Vietnamese, Korean, Spanish, and English) to assist workers in registering their complaints via the company's confidential grievance channel.

The Third Party Supplemental Instructions provide auditors with guidance on assessing Colosseum's factory grievance procedure, as well as determining the workers' knowledge of and comfort level of using the provided channels by reviewing worker interviews, grievance trainings, worker feedback, and grievance records. Third-party service providers are required to provide Colosseum with a grievance summary report after every factory assessment/audit.

While Colosseum provides annual training on the grievance mechanisms through a consistent effort from Colosseum's Shanghai Compliance Coordinator, it remains a challenge to ensure that grievance mechanisms are functioning effectively. Colosseum has guided factories to establish a feedback mechanism that will allow worker responses to inform the process of future trainings and encourage broader use. However, the implementation of such feedback mechanisms at the factory level is, in large part, the daily responsibility of the factory. The FLA provided recommendations to Colosseum to improve grievance mechanisms to measure effectiveness and ensure accountability.



Colosseum Compliance staff member exhibiting poster on Grievance Channel

PRINCIPLE 5: MONITORING⁶**Pre-Sourcing Factory Assessments**

Colosseum has comprehensive Policies & Standard Operating Procedures for new contract suppliers, beginning with an internal review of the factory's compliance history, experience, training, current and present buyer history, recent audit reports, and compliance certifications via a pre-sourcing questionnaire. Colosseum's Sourcing team initiates the internal review via a request for a new supplier. Based on the pre-sourcing questionnaire, the Compliance Manager and the sourcing staff will determine if a pre-sourcing assessment is necessary. Once the factory meets both the business needs for sourcing and social compliance, the factory will receive a Supplier Welcome Packet, which includes information on the orientation process, the code of conduct, and other necessary requirements. New factories are required to submit information on location, product capacity, product categories, subcontractors, and other relevant topics. Once received, Colosseum conducts a pre-sourcing audit with its service provider and generates a New Factory Compliance Scorecard. Contract facilities must receive a 3.00 or better to be approved. Once the suppliers are approved, they receive a copy of the scorecard, explanation for how the score was calculated, and an approval letter, which is signed by the General Manager and the Compliance Manager. Production cannot begin until approval is granted by Colosseum.

Prior to the pre-sourcing assessment, the Regional Director and the Compliance Coordinator will conduct in-person visits with the new supplier to review the pre-sourcing requirements. Although there is a thorough procedure for orienting, evaluating, and scoring new suppliers—as well as a clear threshold score required for contracted facilities to be approved for production (a score of 3.0)—Colosseum observed that in 2014, a new factory could produce orders despite a compliance score below 3.00. Since 2014, procedures have become more robust and inculcated into the due diligence of the factory. The FLA provided recommendation that Colosseum continue to secure rigorous procedures to ensure future suppliers are held to standards set by the company for new supplier approval.

Assessing Factory Conditions

Colosseum developed formal, comprehensive Third Party Supplemental Guideline Instructions for its monitoring program and shared them across its entire supply chain. Colosseum requires regional staff and key third-party providers to be trained on its Third Party Supplemental Guideline Instructions.

Colosseum only works with FLA-accredited third-party providers and assessors for its monitoring program. Key third-party providers use a combination of field instructions, monitoring questions, foundational SCI prompts, and a comprehensive assessment manual for contracted facilities' labor compliance. Colosseum continues to consult with key third-party service providers in the revisions of the monitoring tool and development of its internal monitoring practices. The Colosseum global monitoring program covers all sourcing countries, and Colosseum partners with other organizations and service providers to conduct assessments. Colosseum's assessments are conducted by third-party assessors. Assessment procedures include worker interviews, management interviews, documentation review, visual inspection, occupational health and safety review, and consultation with union or worker representatives.

⁶ Principle 5: Company affiliate conducts workplace standards compliance monitoring.

FLA recommends further development of internal monitoring practices that allow for greater visibility into the audit methodology/tools used across its supply chain, while ensuring the inclusion of all FLA benchmarks.

Assessors & Collective Bargaining Agreements

Colosseum incorporates the review of collective bargaining agreements (CBAs) in its assessment methodology to ensure that the CBA includes provisions that go beyond mere local law requirements. Colosseum's Third Party Supplemental Instructions specifically states that auditors review CBAs or collective contracts with workers to inform audit visits. The FLA verified that CBA are reviewed as part of Colosseum's assessment methodology.

PRINCIPLE 6: COLLECTION & MANAGEMENT OF COMPLIANCE INFORMATION⁷

Colosseum's Data Management & Platform

Colosseum maintains an accurate factory list and has not had any cases of cancelled FLA assessments due to factory list inaccuracies since the company's PC affiliation. Colosseum supplies the FLA with a factory list that includes all relevant business divisions at each facility.

Colosseum has worked to develop sophisticated offline tools using Microsoft Access for its factory assessments and remediation action data analysis. The database houses all factory profile information, audit data, root cause analysis, Corrective Action Plans (CAPs), remediation



Colosseum Compliance staff training a factory on the Colosseum Factory Compliance Guide

status, training status and reports, and union information. To analyze the compliance data, the Compliance Department has developed the ability to run reports and inquiries related to a diverse set of assessment metrics such as assessment types, assessments per month, number of assessments by each third-party service provider, and number of findings by code element. Additionally, Colosseum's supplier compliance ratings are

calculated through its compliance review assessment process and are regularly provided to the Purchasing and Production team to inform sourcing decisions and contribute to the Compliance Review Report for key department heads each year.

Colosseum uses its internal compliance data assessment tool to review noncompliance findings by country and factory throughout the year. The information is used to target potential trainings and projects at factories and inform the internal monitoring process for the company. In addition, the company uses the internal compliance database to examine critical issues through status reports that track remediation and discern compliance trends over time. During the HQ assessment, FLA staff observed the Compliance Manager using the internal compliance database to follow select factories' remediation efforts.

⁷ Principle 6: Company affiliate collects, manages, and analyzes workplace standards compliance information.

PRINCIPLE 7: TIMELY & PREVENTATIVE REMEDIATION⁸**Tracking Remediation at the Factory Level**

Colosseum includes a process to remediate findings from factory assessments in its Factory Audits and Remediation Standard Operating Procedures (SOP). During the post-assessment meeting, the supplier, assessors, and Colosseum personnel discuss the CAP, and supplier agreement and sign-off is required. In this meeting, Colosseum also provides guidance on remediation. Colosseum's internal compliance database also tracks remediation updates and deadlines for CAP development. Colosseum has a follow-up process to verify remediation; depending on the noncompliance findings of the supplier, the follow-up happens on a timeline agreed upon between the factory and Colosseum. The Factory Audits and Remediation SOP also includes extensive guidance on remediation—including steps to analyze the problem and determine root causes.

In July 2016, FLA staff observed that Colosseum conducted consultations with worker representatives on remediation during opening and closing meetings of an internal audit. Consultation with union and worker representative structures is a relatively new policy for Colosseum. The FLA recommended that the company continue to strengthen its communications with unions and/or worker representative structures on remediation.

Root Cause Analysis

The Compliance Manager has worked extensively to train the Compliance Coordinator in root cause analysis. Colosseum regional staff and the Manager review root causes for findings during the audit process, which are then discussed with the factory management. The CSR Coordinator collaborates with factory management and the Compliance Manager to ensure that a thorough root cause analysis is conducted for findings, and that the CAPs reflect the analysis.

By reviewing samples of Colosseum's improvement plans, the FLA verified that Colosseum conducts a thorough root cause analysis of all noncompliance findings. Through review of audit reports from field observations, FLA staff confirmed the auditor conducts root cause analysis. The Compliance Manager discussed with FLA staff how root cause analysis is conducted to ensure a factory implements remediation and to prevent future noncompliances; for example, by ensuring the factory holds staff accountable and provides training to managers, supervisors, and workers.

The 2014 SCI assessment in China identified a health, safety, and environment finding—specifically, a lack of policies and procedures to minimize the factory's environmental impact. The CAP submitted by Colosseum addressed this finding by establishing a team responsible for developing policies and procedures related to health and safety. This team trains factory workers and management on health and environmental protection policies and procedures, and meets every three months.

Effectiveness of Remediation

The Compliance Manager tracks remediation activities to completion and communicates with suppliers on a regular basis. Colosseum routinely requests remediation documentation such as training presentations, training attendance logs, photographs, and revised policies and procedures. The FLA reviewed the remediation tracker maintained by the Compliance Manager

⁸ Principle 7: Company affiliate works with suppliers to remediate in a timely and preventative manner.

and samples of improvement plans that track remediation progress and completion for each audit. Additionally, the FLA reviewed verification documentation submitted by suppliers that included remediation efforts such as providing an internal checklist for fire safety, a worker handbook outlining policies and procedures, and a data analysis and tracking system for hours and wages for factories within the Jiangyin area of the Jiangsu province in China.

Transparency, overtime, and compensation continue to be issues within Colosseum's supplier base. There has been less focus on improvement regarding overtime, as this issue tends to be systemic in China. Supplier relationships for Colosseum can be challenging due to their minimal leverage within a given factory. The FLA recommends that Colosseum continue to explore ways in which common yet systemic noncompliances can be improved despite the challenges faced due to minimal leverage.

PRINCIPLE 8: RESPONSIBLE PURCHASING PRACTICES⁹

Colosseum's Responsible Sourcing and Purchasing Strategy

Colosseum's Responsible Sourcing and Purchasing Strategy reflects the commitment to achieve high standards in its social compliance program and collaborate with senior management, sourcing, and purchasing divisions. Colosseum's strategy states that the company strives to be an industry leader in championing workers' rights globally through responsible sourcing and fair labor practices. The Compliance Department provides continuous training to sourcing, purchasing, merchandising, and product development on the FLA's responsible purchasing benchmark. Colosseum's refresher trainings include topic-specific content that provides further guidance on how purchasing practices affect workplace conditions. Colosseum's comprehensive Responsible Sourcing and Purchasing Strategy addresses the complexities of its supply chain, while acknowledging the challenges of collegiate manufacturing. As a collegiate manufacturer, Colosseum faces inherent challenges, which include high season buying peaks, complex artwork requirements and university approval processes, and low minimums per college team. The company's sourcing procedures and processes adhere to an internal production timeline that holds each department accountable for delivering deadlines with respect to adequate lead time, balanced planning, accurate forecasting, and internal accountability. Procedures and practices for aligning financial terms, motivating suppliers, training staff, measuring accountability, and implementing strategy are described below. As part of the strategy, Colosseum will continue to conduct refresher trainings with key departments throughout 2017.

Training Relevant Business Staff on Responsible Purchasing Practices

Throughout 2016, all Product Development, Production, Planning, Merchandising, Purchasing, Sales, Sales Operations, and Customer Service staff participated in the Compliance Department's trainings. These trainings include a component specific to responsible sourcing practices, and additional in-person trainings conducted by the Compliance Manager. In its biannual sales meetings and prototype meetings (three times per year), Colosseum dedicates a section to compliance, updating the various regional sales teams on compliance through factory examples. The Compliance Manager shares examples of how production timeline delays can negatively impact worker conditions with two different types of factory relationships—strategic and transactional. Furthermore, the Compliance Manager explains how excessive overtime and a demanding production schedule can result from production timeline delays, which can, in turn, lead to negative impacts on worker conditions.

⁹ Principle 8: Company affiliate aligns planning and purchasing practices with commitment to workplace standards.

The FLA verified that relevant business and compliance staff received the Compliance Department and in-person training focused on responsible purchasing practices through document review and interviews during the headquarter assessment. The Compliance Manager also received feedback from staff regarding the in-person trainings conducted. A member of the product development team has suggested that the Compliance Manager use stories from the factory floor to help staff better understand the impact of responsible purchasing and planning decisions on workers. Colosseum has since incorporated real-life factory stories and supplemental video footage of documentaries on the apparel industry to better illustrate potential negative impacts on workers. Through review of the program, the Compliance Department will develop departmental training geared towards middle management and entry-level staff.

Additionally, Colosseum has a commercial relationship with three suppliers through an agent. The importance of Colosseum's compliance standards has been communicated to the agent. Both Colosseum's regional staff and its agent's staff receive training on responsible purchasing practices. The agent has a dedicated staff member who acts as the Compliance Coordinator. When introducing a new factory, the agent supplies Colosseum with more than adequate lead time to conduct document review, visit the factory, and perform a pre-sourcing audit. The FLA recommends the implementation of a mechanism to capture the effectiveness of relevant trainings provided to Colosseum staff, assessors, suppliers, and workers.

Holding the Relevant Business Staff Accountable

Colosseum has worked with all relevant key department heads to incorporate language related to the Responsible Sourcing and Purchasing Strategy. The FLA has verified that all job descriptions of key department heads and agent personnel directly hold relevant staff accountable for responsible sourcing and purchasing decisions. Colosseum employs an internal production timeline to hold each business division accountable to the company's responsible sourcing and purchasing practices strategy. The timeline identifies all action items, responsible departments, and deadlines for every step throughout the purchase order (PO) booking process per season. Each season runs for approximately 16 months, with approximately 70 points on the timeline. Dates for the timeline are determined using performance lessons from each business division. Colosseum's internal production tracking system is designed to give factories adequate lead time for prototypes, salesman samples, and production. The production timeline is the internal accountability tool for departments relevant to production and purchasing. All departments are trained repeatedly on the importance of meeting deadlines to decrease the chance of delays, bottlenecks, and quality and delivery issues.

In addition, Colosseum holds personnel accountable through its Capacity Review Report, which measures the production capacity of each factory against Colosseum's PO allocation. The company requests capacity information from each factory at the initial stage of the business relationship with the factory, and again before each season to determine available capacity for the placement of Colosseum's orders. The Capacity Review Report tracks a factory's weekly capacity and serves to regularly inform Colosseum's responsible sourcing and purchasing decisions regarding negative impacts of quality, delivery, and social compliance. Colosseum has strict packing requirements and procedures due to the high volume and customization from both universities and customers. To alleviate the overtime incurred by other subcontracted facilities due to Colosseum's packing requirements, the company decided to include all packing operations within the TCS facility.

In 2016, Colosseum initiated a compliance survey to factories producing for at least one year. Through this survey, Colosseum captured average costs related to audit fees, compliance improvements, wage changes, as well as percentage increases in cost of goods due to

compliance dollars spent. With the total units shipped in 2015, the Compliance Department could estimate the Colosseum compliance cost per unit for all buyers. Senior management and the Purchasing Department now possess this information to inform pricing negotiations with factories when placing POs.

Colosseum's internal working committee, comprised of key department heads and the Compliance Department, developed and continues to revise the company's responsible sourcing and purchasing strategy. To further inform and develop the company's strategy, the committee has established a set of key performance indicators (KPIs) that track and measure progress for new factory approval, cost of compliance, order allocation, and production review. The committee analyzes this set of KPIs and presents it to senior management during annual compliance review meetings. In the future, Colosseum plans to incorporate the analysis into individual performance reviews.

Dialogues with Relevant Business Staff & Suppliers to Implement Responsible Purchasing Practices

Colosseum holds quarterly compliance meetings with the company's General Manager, Purchasing Department, Director of Product Development, the Director of Merchandising, and Sourcing to ensure that the factory compliance scorecard results are integrated into sourcing decisions. During the meetings, staff examines the Compliance Review document that identifies each new and current factory; the factory location; compliance activity updates; and recommended incentives, which include additional POs and/or capacity-building programs. While the focus of the meetings is to discuss the compliance status of Colosseum's supply chain, Purchasing, Senior Management, and Sourcing staff provide support to ensure Colosseum's purchasing practices do not lead to negative impacts on factory working conditions. Purchasing and the Senior Management are informed of supplier conditions and have conversations with suppliers to underscore the importance of the Colosseum compliance program. Product Development and Merchandising are in regular communication with suppliers. Suppliers notify the Purchasing team on the progress of orders, and Purchasing and Merchandising receive production capacity information from all of Colosseum's suppliers to ensure that Colosseum does not overload its suppliers with orders. In the event of a production delay, Colosseum consults with the factory, the Purchasing Department, and senior management to make appropriate schedule adjustments. Additionally, the Compliance team, Purchasing, and Merchandising discuss the importance of continuous improvement with suppliers who receive low scores on the factory scorecard.

As mentioned earlier, Colosseum holds staff accountable through a Capacity Review Report of factories. The company requests production capacity information from factories at the start of the sourcing relationship, and again before each season to determine available capacity. Every season, the Purchasing Department provides compliance with a report detailing each factory's weekly capacity to ensure that Colosseum is mitigating risk that could lead to negative impacts on worker conditions. This Capacity Review Report is used to compare findings in audit reports; for example, excessive overtime and situations of near or over capacity. At the end of each season, the report is subject to a review process that concentrates on improvements in capturing accurate forecast data for a factory's capacity.

Incentivizing Suppliers to Improve Conditions for Workers

Through Colosseum's Annual Compliance Scorecard, all factories are evaluated and reviewed for social compliance performance. The Annual Compliance Scorecard considers critical and ethical issues; severity of issues; capacity for improvement; and management effort, attitude, and communication. All the components of the scorecard are given equal weight when calculating the

factory's overall compliance score. Factory performance is rated based on a scale of 1.00 to 5.00, 5.00 being the highest. All factories must maintain a 3.00 for production to continue. The process and specific rating criteria are outlined in detail in Colosseum's Annual Compliance Rating and Scorecard Standard Operating Procedure.

The annual scores are used, in part, to determine purchasing incentives during the PO allocation process. Approximately three weeks before the order allocation date, the purchasing staff receives a Compliance Review Report that details compliance score, areas for concern, and any best practices or notable achievements. The Compliance Review Report includes additional information on country audit trends. The report summarizes each factory's performance, whether production should continue at the factory, and whether purchasing incentives are recommended. Purchasing staff then return a final order allocation report to compliance staff with unit breakdowns and a column indicating whether compliance performance was considered and whether purchasing incentives were granted based on this information.

In addition, factories can receive compliance incentives in the form of audit exemption, one-off training, full capacity-building projects, or special worker welfare projects. FLA staff verified the implementation of capacity building and special project incentives through document review and management discussions. Factories can receive audit exemption for exceptional performance (typically a score between 4.33 and 5.00), by participating in a special project, or by submitting an audit report and CAP based on Colosseum's standards. For example, a factory producing for another FLA Participating Company could receive exemption with an acceptable report and/or CAP; however, Colosseum would not typically allow an exemption for a non-FLA company unless the standards were comparable to Colosseum's standards. In 2016, Colosseum exercised this exemption by accepting a FLA PC affiliate's previous audit in lieu of conducting its own pre-sourcing audit or annual audit.

Colosseum provides funding for participating service providers and NGOs to conduct trainings, capacity-building projects, and worker welfare projects at the factory level to incentivize suppliers to pursue ownership of their social compliance and champion best practices. These projects are further discussed under Principle 9.

Colosseum continues to grow its business and is looking at carefully expanding its supplier base while maintaining long-term relationships with key suppliers. The FLA supports Colosseum's efforts to continually seek new and creative processes and initiatives to incentivize suppliers to uphold Colosseum's commitment to responsible purchasing and planning across its supply chain.



A factory worker at one of Colosseum's contract facilities. This facility is participating in a project that teaches workers how to use photography.

PRINCIPLE 9: CONSULTING WITH CIVIL SOCIETY¹⁰**The CSO Engagement Strategy**

Colosseum developed a comprehensive CSO outreach and engagement strategy focused on engagement in East and Southeast Asia (China and Vietnam), due to Colosseum's high percentage of production in these areas. The CSO engagement strategy includes an analysis of country risks and trends, charts detailing noncompliance findings by code element, based on internal aggregate audit data; country matrices highlighting factory-specific strategies for key and transactional suppliers; summaries of internal sourcing challenges by factory; and lists of collaborative opportunities for CSO engagement.

Colosseum created the Country Analysis and Engagement Strategy and Procedure document in 2015. The Compliance Manager updates the document at least once per year to reflect new internal audit data, sourcing decision changes, and potential CSO consultation opportunities. The document is also updated if a new sourcing country is considered or added. The Compliance Manager has mapped stakeholders in relation to Colosseum's business, identifying key stakeholders relevant to Colosseum's compliance program.



Colosseum staff members meeting with union at The Cotton Shop

Colosseum worked with existing networks of CSOs specializing in capacity building, training, remediation, worker communication, and participation to better understand local labor issues impacting the company's supplier base. On an international and national level, Colosseum identified and established CSOs relationships to act as a local resource for workers at the factory level.

¹⁰ Principle 9: Company affiliate identifies, researches and engages with relevant labor non-governmental organizations, trade unions and other civil society institutions.

Because most Colosseum's production is in China, the Compliance Manager consulted with the China Labor Bulletin to discuss Freedom of Association (FOA), Collective Bargaining Agreements (CBA), and worker participation. Additionally, Colosseum collaborates with a The Center for Child Rights and Corporate Social Responsibility (CCR CSR) to address and offer support services when child labor instances are found in its supply chain. CCR CSR provides guidance to Colosseum's Compliance Department and factory management through sharing knowledge on best practices for child labor remediation. Colosseum is a member of CCR CSR's virtual Child Rights Working Group, and is working with CCR CSR on a migrant-parent project in one of the company's contracted facilities in China.

In Vietnam, Colosseum met with Better Work Vietnam, a multi-stakeholder initiative to learn about local labor issues and trends. Better Work Vietnam collaborates with Colosseum by providing training services to both TCS staff and union members to support social compliance programming. Additionally, the company engaged with LIFE Centre, a local NGO, on general labor issues. Since 2014, the local NGO has been the service provider implementing the HERproject at TCS in Vietnam. Compliance staff members are present at most LIFE Centre meetings, but a summary is provided in their absence. In the U.S., Colosseum made several attempts to meet or speak with the Garment Worker Center in Los Angeles; however, they were unresponsive. Colosseum engaged with Verité around immigrant labor issues in the Los Angeles and New York City garment sectors.

CSO Engagement in a Global Supply Chain

Colosseum's CSO Engagement Strategy is an essential part of its robust social compliance program. The company's approach includes a focus on country labor trends and risks throughout its supply chain. Below is a chart summarizing some of Colosseum's CSO Engagement activities.

Geographical Focus	Engagement Summary
China	Colosseum signed a Memorandum of Understanding (MOU) with CCR CSR to provide support services addressing instances of child labor when found in the company's supply chain. As described earlier in this report, Colosseum participates in CCR CSR's virtual Child Rights Working Group. CCR CSR continues to collaborate with one facility in China on a migrant-parenting project. Colosseum collaborated with CCR CSR and Save the Children on a UNICEF on child rights project in Vietnam.
China	Colosseum engaged with a CLB to provide guidance on a program focusing on FOA, CBA, and worker participation at a facility in China.
China & US	Colosseum partnered with Sumerra to provide capacity building for a FOA project with Notre Dame at a facility in China. Verité has provided Colosseum with guidance on understanding local labor laws. Colosseum collaborated with Global Workers Justice Alliance, ATEST, and Verité to better understand CSO engagements with migrant workers within the U.S.
Vietnam	Colosseum supports the Better Work assessments and remediation follow-up, along with the training opportunities provided by Better Work. The organization serves as a valuable resource to Colosseum regarding capacity building, training, and labor trends in Vietnam.
Vietnam	LIFE Centre engages with Colosseum to provide HERproject training at one facility in Vietnam.

The FLA identified further opportunities for Colosseum to engage with CSOs in its supply chain. The FLA recommends that Colosseum pursue greater CSO engagement in the U.S., due to the company's use of facilities in the greater Los Angeles area. Additionally, the FLA recommends that Colosseum continue to pursue CSO engagement in Vietnam, given Colosseum's expanding supplier base in the country. Colosseum has engaged with various organizations in China to develop various programs to support worker well-being. While the FLA acknowledges the complexities of engaging with CSOs in China, the FLA recommends that Colosseum continues to pursue engagement with civil society in China.

Unions & Worker Representative Structures

Colosseum's Third Party Supplemental Guidelines and Factory Audit and Remediation Standard Operating Procedures require assessors to understand the supplier's relationship with the union or worker representative structure in place. During its field observation in China, FLA staff verified that worker representatives were included in the worker interviews, as well as at closing and opening meetings.

PRINCIPLE 10: VERIFICATION REQUIREMENTS¹¹

Both the Director of Licensing and CSR and the Compliance Manager have been active in FLA Board Meetings, working groups, and committees. Since 2012, the Compliance Manager has been the Business Caucus member on the Audit Committee. Additionally, the Compliance Manager was a participant in the Compensation Working Group Advisory Committee from the end of 2013 to late 2014. The Compliance Manager has voiced her interest in participating in the China CSO Working Group.

Colosseum's commitment to the FLA and fulfillment of FLA obligations are addressed through the Compliance Department and specifically discussed in the Compliance Department's Policies & Standard Operating Procedures. The FLA confirms that Colosseum has completed all administrative requirements including payment of annual dues, submission of its annual self-assessment, and submission of FLA assessments.

¹¹ Principle 10: Company affiliate meets FLA verification and program requirements.

SECTION 4: CONCLUSION AND RECOMMENDATION TO THE BOARD OF DIRECTORS

This review of Colosseum's labor compliance program is intended to help inform the decision of the FLA Board of Directors on whether to accredit the company's program.

The FLA staff conclusion is that since affiliation as a PC, Colosseum has increasingly developed a labor compliance program that, on balance, aligns with FLA standards, benchmarks, and protocols. Accreditation is a measure of the capacity of a company's labor compliance program to ensure respectful and ethical treatment of workers. The FLA recognizes that no labor compliance program is perfect; the notion of continuous improvement means that there will be instances when a specific principle or benchmark is not met, yet such occurrence does not call into question the integrity of an affiliate's entire program. The FLA will continue to provide programmatic recommendations to further an affiliate's labor compliance efforts in support of the FLA's mission to protect workers' rights and ensure decent working conditions. The FLA staff recommends to the FLA Board of Directors the accreditation of Colosseum's labor compliance program.

The assessment identified certain areas in which Colosseum's labor compliance program is strong and areas with respect to which improvements are possible.

Strengths of Colosseum's labor compliance program include:

- 1) The company integrated a Corporate Social Responsibility (CSR) perspective in daily business operations;
- 2) The company made a public commitment to uphold workplace standards through internal accountability mechanisms in its supply chain;
- 3) The company devoted resources to data collection and analysis to inform the Corporate Responsibility program and responsible purchasing practices;
- 4) The company implemented comprehensive procedures and training for its assessment methodology throughout its global supply chain; and
- 5) The company demonstrated leadership through its proactive collaboration with CSOs, associations, and other brands to improve workplace conditions.

Suggestions for strengthening Colosseum's labor compliance program include:

- 1) Further standardize verification system measuring the effectiveness of trainings completed by Colosseum staff, assessors, suppliers, and workers;
- 2) Ensure the implementation of a mechanism to capture the effectiveness of grievance channels at the factory level;
- 3) Further develop social compliance expertise and exposure for Colosseum's regional team in Vietnam that incorporates best practices and compliance oversight at the factory level;
- 4) Further develop internal monitoring practices that allow for greater visibility into the audit methodology/tools used across the supply chain, while ensuring the inclusion of all FLA benchmarks; and
- 5) Further deepen engagement with factory management to solicit feedback and develop constructive dialogue around purchasing and production challenges that result in negative impacts on workers.

APPENDIX A: COLOSSEUM ATHLETICS CODE OF CONDUCT



CODE OF CONDUCT

February 1st, 2014

STANDARDS: CAC suppliers and their contractors must operate workplaces that adhere to the following minimum standards and practices. In addition, CAC suppliers and their contractors must comply, at a minimum, with all applicable legal requirements of the country in which products are manufactured. Where this Code and the applicable laws of the country of manufacture conflict or differ, the higher standard shall prevail.

EMPLOYMENT RELATIONSHIP: Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

NONDISCRIMINATION: No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

HARASSMENT OR ABUSE: Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

FORCED LABOR: There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.

CHILD LABOR: No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING: Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

HEALTH, SAFETY, AND ENVIRONMENT: Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

HOURS OF WORK: 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 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.

COMPENSATION: Every workers has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.