



**COMPANY: Russell Brands/Fruit of the Loom**  
**COUNTRY: El Salvador**  
**ASSESSMENT DATE: 07/30/14**  
**MONITOR: FLA Assessor Team (Americas)**  
**PRODUCTS: Apparel**  
**PROCESSES: Cut, Sew**  
**NUMBER OF WORKERS: 966**  
**NUMBER OF WORKERS INTERVIEWED:**  
**ASSESSMENT NUMBER: AA0000000481**

## What's Included in this Report

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# Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

## Glossary

**De minimis:** A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

**Facility performance:** how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

**Fair labor standards:** the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

**Employment life cycle:** all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

**Code violation:** failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

**Employment Functions:** The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

**Management functions:** violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

**Finding:** indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

### Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to

the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

**Local law or Code Requirement**: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

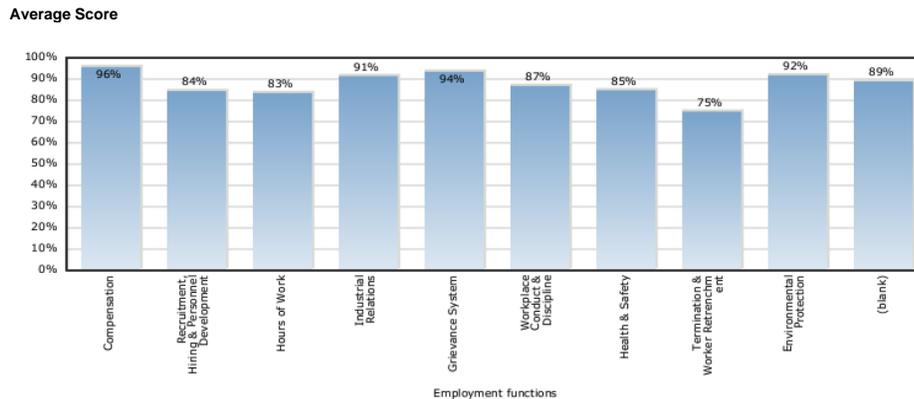
**Root causes**: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

**Company action plan**: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

# Factory Profile

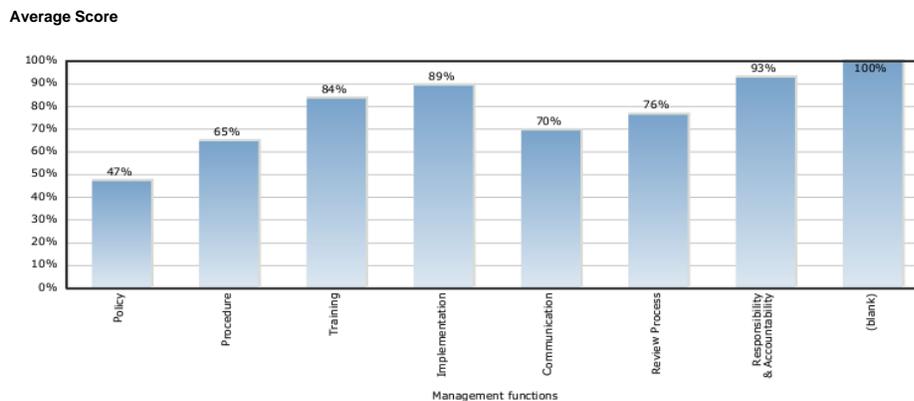
## Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



## Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



## Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	52.75%	80%	43.33%	79.13%	80%	57.14%	42.31%	60%	100%
Procedure	62.07%	100%	61.11%	0%	66.67%	66.67%	52.38%	66.67%	80%
Responsibility & Accountability	100%	100%	100%	66.67%	100%	100%	100%	100%	77.67%
Review Process	100%	0%	0%	0%	100%	100%	50%	100%	100%
Training	92.31%	100%	100%	100%	75%	80%	50%	90.25%	16.67%
Implementation	82.86%	94.65%	89.47%	100%	100%	92.86%	80%	87.43%	95%
Communication	66.67%	100%	60%	0%	100%	83.33%	40%	93.75%	25%

## Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations	Violations
Employment Relationship	12	General/Human Resource Management Systems Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training Administration of Compensation/Termination Payouts Administration of Hours/Time Recording System Industrial Relations Work Rules and Discipline Skills Development/Management of Performance Reviews Skills Development/Promotion, Demotion and Job Reassignment Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures
Harassment and Abuse	1	General Compliance Harassment or Abuse
Hours of Work	1	Meal and Rest Breaks
Health, Safety and Environment	5	General Compliance Health, Safety, and Environment Protection Reproductive Health Machinery Safety, Maintenance and Workers Training Evacuation Requirements and Procedure Safety Equipment and First Aid Training
Non-Discrimination	1	Protection and Accommodation of Pregnant Workers and New Mothers

## Findings and Action Plans

### FINDING NO.1

### RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. Management has not created policy related to Recruitment, Hiring & Personnel Development.
2. Orientation training does not include Recruitment, Hiring & Personnel Development policy and procedures.
3. There is no ongoing worker training on Recruitment, Hiring & Personnel Development.
4. There is no communication to the workforce on Recruitment, Hiring & Personnel Development.

## **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.15.1, ER.25.1, and ER.30.2)

## **Root Causes**

1. The factory has not felt the need to formalize its personnel development practices in the form of a written policy.
2. Management has little to no awareness of the FLA Employment Relationship benchmarks.
3. Local labor law does not mandate these policies and procedures.

## **COMPANY ACTION PLANS**

1. The Company currently has a Standard Operating Procedure related to Recruitment, Hiring and Personnel Development. The Company will develop a formal policy and communicate the appropriate policies related to recruitment, hiring and personnel development, as well as design and implement training where appropriate to include the new hire orientation process. A policy will be developed to provide a mechanism for workers to express their views and opinions. The site human resources manager will be responsible for implementing the policy and procedures.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## **FINDING NO.2**

## **RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**

### **FINDING TYPE:** Sustainable Improvement Required

#### **Finding Explanation**

1. The factory is not in compliance with local law regarding the minimum required number of disabled workers. Currently, there are 26 disabled workers; however, legally, there should be 34 disabled workers.

## **Local Law or Code Requirement**

Salvadoran Equal Opportunity Law, Article 24; FLA Workplace Code (Employment Relationship Benchmark ER.1.1; Nondiscrimination Benchmark ND.1)

## **Root Causes**

1. Normally, people with disabilities do not seek employment at the factory; therefore, management finds it difficult to comply with the minimum required number of disabled employees. However, the factory has made significant efforts in order to achieve full compliance with this requirement, e.g., campaigns in the nearby community, employment fairs, and joint efforts with the relevant governmental institutions. As a result, the factory is close to meeting the quota.
2. In general, the Salvadoran government does not proactively encourage, prepare, or introduce people with disabilities to companies in order to promote their employment.

## **COMPANY ACTION PLANS**

1. We acknowledge that the plant does not currently employ the minimum required number of disabled workers. Our commitment is to meet all legal requirements at a minimum, and we have had a plan in place since 2010 that attempts to raise the number of disabled workers in the plant. During that time, we have improved the percentage from 27% to 76% of the goal. Given low worker turnover and current budget needs, we do not foresee hiring additional personnel at this time.

We will continue with the 2010 strategic plan that includes establishing communications with different NGO's and government offices to recruit and hire personnel with disabilities. The strategic plan also includes the Work Fairs for people with disabilities that we do with the support of our employees, which provides our own database of candidates with disabilities.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.3

### HOURS OF WORK

#### FINDING TYPE: Sustainable Improvement Required

##### Finding Explanation

1. The factory does not have policies on Compensation and Hours of Work.
2. Gathered information demonstrates that some production workers from the sewing and cutting departments do not take the full factory-provided 15-minute breaks, which are offered in the morning and the afternoon. Instead of taking their breaks, these employees stay at their workstations and continue to work.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.23.1; Hours of Work Benchmark HOW.3)

##### Root Causes

1. There are gaps in the factory's management systems. For years, management does have some written policies and procedures and has therefore not seen the need to formalize their practices in a comprehensive manner.
2. The factory is not aware of the revised FLA Workplace Code and Benchmarks, which now include requirements regarding developing policy on Compensation and Hours of Work.
3. In order to reach the highest production bonus, workers prefer to continue working during their breaks.
4. The Human Resources (HR) department and supervisors do not strictly monitor whether or not all workers rest during their designated breaks.

### COMPANY ACTION PLANS

1. The Company has Internal Guidelines related to hours of work that has been reviewed and approved by the Labor of Ministry. The Company also has Standard Operating Procedures on Cut Plant Payroll, Control of Weekly Hours Worked and Overtime The Company will also develop and communicate a formal policy in line with the guidelines, as well as design and implement training where appropriate. The Company will also develop a policy to provide a mechanism for workers to express their views. Attention will be given to emphasizing to workers the importance of resting during allotted break times. The human resources department and floor supervisors will monitor worker adherence to break time rest.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.4

### TERMINATION & RETRENCHMENT

#### FINDING TYPE: Sustainable Improvement Required

##### Finding Explanation

1. There is no written termination policy that governs all aspects and modes of available termination.
2. There is no procedure for determining termination payouts, which: a) includes methods for correctly assessing the payouts for all types of Termination & Retrenchment and b) takes all legal requirements into account.
3. There is no ongoing worker training on Termination & Retrenchment policies and procedures.
4. There is no communication to the workforce about the Termination & Retrenchment policies and procedures.
5. There is no worker consultation before management reaches any final decisions about either temporary or permanent layoffs.
6. There is no regular review process for the Termination & Retrenchment policies and procedures.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.19.1, ER.25.1, and ER.32.1)

##### Root Causes

1. Although management has an extensive retrenchment policy, the factory was not aware of FLA Workplace Code and Benchmarks, which require establishing termination policies and procedures.

## COMPANY ACTION PLANS

1. The Company will develop a policy to support our current procedure on termination. The Company has a Retrenchment policy in place, which was developed in line with FLA recommendations. The Company will communicate policies to workers and implement training where appropriate. A policy will be developed to provide a mechanism for workers to express their views and opinions.

In addition, the Company will regularly train staff on termination and retrenchment policies and procedures, including in new worker orientation training. The Company will also ensure that management staff are knowledgeable regarding the FLA Code and Benchmarks – specifically the Principles of Fair Labor and Responsible Production. The site human resources department and the corporate social responsibility department will have responsibility for implementing these steps.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.5

### INDUSTRIAL RELATIONS

#### FINDING TYPE: Sustainable Improvement Required

##### Finding Explanation

1. The factory has neither created nor implemented Industrial Relations policy and procedures.
2. There is no communication about the Industrial Relations policies and procedures to workers, supervisors or managers. Also, Industrial Relations policy is not included in the new hire orientation.
3. The factory has not clearly designated staff members the responsibility of overseeing Industrial Relations-related issues.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2 and ER.1.3, and ER.15)

##### Root Causes

1. Factory management is not fully aware of FLA's Industrial Relations benchmarks.
2. As the factory has not recently experienced any relevant "labor relations" situations, they have not seen the need for developing Industrial Relations policy and procedures.

## COMPANY ACTION PLANS

1. The Company maintains an Internal Communication Binder which includes the Open Door Policy, the Employee Resolution Process and the Global Compliance Hotline process. The Company formally meets with employees each year to communicate these policies and address any questions. The Company requires a signed acknowledgement from the employee during these meetings.

The Company will review these policies based on the finding by the FLA and administer any changes where appropriate, with the goal of developing a more robust employee resolution process to address formal and informal suggestions, feedback, appeals and/or grievances. Without limiting the generality of the foregoing, the Company will develop policies and procedures specific to labor relations. The Company will communicate all policies and implement training where appropriate, to include the employee orientation training processes. In addition, the Company will provide training on the Code of Conduct, including the Freedom of Association principle.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.6

## WORKPLACE CONDUCT & DISCIPLINE

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. The workers' right to appeal disciplinary actions is not included in the Workplace Conduct & Discipline procedures.
2. Workers do not receive a copy of the workplace rules during orientation.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15.3 and ER.27.4)

#### Root Causes

1. Management lacks awareness of: a) the importance of a well-regulated disciplinary system and b) the rules for the proper implementation of an appeal procedure.
2. While workplace rules are discussed during orientation, the factory does not customarily provide workers with a written copy of them.
3. The factory is not aware of the FLA Workplace Code and Benchmarks related to Workplace Conduct & Discipline.

## COMPANY ACTION PLANS

1. The Company has a workplace Disciplinary Procedure allowing workers the right to refuse or agree to disciplinary action. The Company has the "Maya Orientation Booklet", which contains policies, standard operating procedures and other information, including information on disciplinary procedures. Employees are provided a copy of the booklet upon hire and sign an acknowledgment.

The Company will review these policies based on the finding by the FLA and administer appropriate changes, with the goal of developing a more robust employee resolution process to address formal and informal suggestions, feedback, and/or grievances, and to formalize an appeal procedure with respect to disciplinary matters. The Company will communicate the policies and implement training where appropriate, to include the employee orientation training processes. In addition, the Company will provide training on the Code of Conduct, which includes a Freedom of Association principle, and on the FLA Workplace Code and Benchmarks related to Workplace Conduct & Discipline.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.7

## WORKPLACE CONDUCT & DISCIPLINE

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. There is no sexual harassment prevention program at the workplace as required by law, e.g., briefings, preventive plans, and resource allocation.

#### Local Law or Code Requirement

General Law on Risks Prevention in the Workplace, Article 8.10; FLA Workplace Code (Harassment or Abuse Benchmark H/A.1)

#### Root Causes

1. Since the General Law on Risks Prevention in the Workplace is relatively new, factory management has not yet aligned its requirements accordingly.

## COMPANY ACTION PLANS

1. The Company has developed a policy to address Prevention of Harassment and Discrimination. The Company will communicate the policy and implement training where appropriate, to include the employee orientation training processes. The

Ministry of Labor has confirmed on 10-Jun-2013 that the Company is compliant with the requirements required by General Law on Risks Prevention in the Workplace.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.8

### GRIEVANCE SYSTEM

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. There is no policy on the Grievance System that lays out the factory's principles, rules, and commitment to transparency, confidentiality, and fair treatment.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.25.2)

#### Root Causes

1. Given that the factory has functional grievance procedures, management has not seen the need to create policy regarding the different grievance channels.

### COMPANY ACTION PLANS

1. The Company maintains an Internal Communication Binder which addresses the Open Door Policy, the Employee Resolution Process and the Global Compliance Hotline process. The Company formally meets with employees each year to communicate these policies and address any questions. The Company requires a signed acknowledgement from the employee during these meetings. The Company will review these policies based on the finding by the FLA and administer any changes where appropriate, with the goal of developing a more robust employee resolution process to address formal and informal suggestions, feedback, appeals and/or grievances (including principles and rules), and to ensure transparency, confidentiality, and fair treatment in the process. The Company will communicate the policies and implement training where appropriate, to include orientation training processes.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.9

### ENVIRONMENTAL PROTECTION

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. The factory does not provide ongoing training for employees and supervisors on environmental protection and no regular communications are provided to workers with respect to the factory's Environmental Protection program.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16.1, and ER.17.1)

#### Root Causes

1. Based on observation of the production process and review of the environmental permit issued by the local authority, the factory's production process results in minor environmental impact; subsequently, the factory has not considered training and communication on Environmental Protection a priority.
2. Most of the factory's communication and training efforts are focused on other areas, such as Compensation, Hours of Work, and Health & Safety (H&S), little attention is paid to Environmental Protection.

## COMPANY ACTION PLANS

1. The Company has an Environmental policy and Environmental Commitment, as detailed within the Company's overall Environmental Policies and Procedures Manual. The Company will review these policies based on the finding by the FLA and administer any changes where appropriate. The Company will communicate the policies and implement training where appropriate, to include employee orientation. Additionally, the Company will notify employees during orientation of ongoing practices to track energy and waste measurement on a monthly basis from each plant. A policy will be developed to provide a mechanism for workers to express their views and opinions.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.10

### HEALTH & SAFETY

#### FINDING TYPE: Sustainable Improvement Required

##### Finding Explanation

1. The factory's health, safety and environment (HSE) procedures are missing the following elements, which are required by FLA Workplace Code and Benchmarks: a) measures to protect workers' reproductive health, b) how workers can raise H&S and environmental concerns, and c) that workers who have raised such concerns are protected from retaliation.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.2.4 and ER.31.2.6; Non-Discrimination Benchmark ND.8.1)

##### Root Causes

1. The revised FLA Workplace Code and Benchmarks include specific requirements on HSE procedures; the factory has not yet accordingly aligned its own procedures.
2. While the available grievance channels and protection against retaliation for using such channels are applicable to HSE concerns, they are not included in the written procedure.
3. Despite lack of a procedure to protect workers' reproductive health, in practice, the factory is implementing measures to protect pregnant women.

## COMPANY ACTION PLANS

1. The Company establishes Health and Safety policies based on U.S. standards and applies those to all facilities globally to ensure consistency. Those policies address responsibility for the safety and health process; hazard communication, new chemical request and worksite analysis hazard prevention. The policies also address how to obtain new chemicals after submission and approval from the U.S. corporate safety team who conducts the final review of any health and environmental hazards. Facilities have a hazard communication program that includes a master chemical list defining hazards, of which one is Health Hazards (includes reproductive health) and provide annual education to include Globally Harmonized System of Classification and Labeling of Chemicals (GHS). Policies also address how health and safety teams are established and meeting requirements and how to report potential hazards in writing or orally without the fear of any reprisal. The Company will review its existing policies in light of FLA recommendations and improve communications regarding the policies and implement education where appropriate.

The Company's general safety and health corporate policies and procedures address reproductive health issues, including annual education and instructions on reporting concerns to management. The Company will review those policies and procedures to ensure that adequate education is being provided and that workers have an effective mechanism for raising safety and health issues without fear of retaliation.

The corporate environmental and safety departments will have responsibility for implementing these steps.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.11

### HEALTH & SAFETY

#### FINDING TYPE: Uncorroborated Risk of Non Compliance

##### Finding Explanation

1. Two-thirds of the sewing department workers do not use protective masks, even though significant levels of lint were noted in the factory. Since the factory has not performed a recent air quality analysis, it is not possible to verify whether personal protective equipment (PPE) is required or not.
2. From noise-level samples taken in sewing department areas 17, 24, and 26, average noise levels exceed the legal limits to do work without using PPE, 85 dBA. The results from this sample were: 88.85 dBA, 88.05 dBA, and 89.65 dBA. Sewing department workers also do not use hearing protection during their 12-hour shifts. In order to determine whether workers need to use hearing protection, the factory needs to conduct a noise assessment in the sewing department.

##### Local Law or Code Requirement

Special Regulations on Technical Rules for Environmental Quality, Article 9; Salvadoran General Regulations on Risks Prevention in the Workplace, Articles 155, 156, and 157; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.13)

### COMPANY ACTION PLANS

1. The Company has previously performed air quality testing at the facility that confirmed that the facility is below the allowable limit. The facility will review production changes to determine if updated air quality testing is required at this time. The facility conducts annual education with all employees regarding voluntarily wearing of dust mask respirators. These respirators are located in the clinic and employees may go to the clinic at any time to obtain this protection. Engineering and administrative controls will continue to be considered to reduce exposure. The Company will perform an updated air quality test in 2015.

The sample obtained by FLA personnel was an instant reading and did not take into account the level of noise employees may be exposed to over the entire work day. The facility conducted detailed noise surveys in September 2011 and May 2013 utilizing Quest calibrated personal dosimeters. The facility will perform an updated noise survey in 2015. Hearing protection is available for voluntarily use when levels are below the allowable limit. Hearing protection is mandatory when levels are above the allowable limit and education is provided to employees to include the effects of noise, use of hearing protectors and proper fit.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## FINDING NO.12

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

The following issues were noted during the physical inspection tour:

1. 3 workers in Building #11 that were working in standing positions did not have floor mats.
2. Floor markings indicating the nearest exits have faded in most production floor areas. Also, some main aisles were seen partially blocked with containers of finished goods.
3. Fire extinguisher #59 in the Supplies Distribution Center was overcharged. Also, fire extinguisher #73 had a defective hose.
4. An electrical panel in the Forklift Workshop was blocked with a pile of tools used by maintenance employees and was missing a restriction-access sign.
5. "Not an emergency exit" signs at loading docks were missing.
6. The emergency exit light under emergency exit #6 did not work. Also, there was no emergency light above the emergency exit in "Tunnel II LA."
7. The emergency assembly areas are located on the street, which may block access for emergency vehicles.
8. The sign related to mandatory PPE in machine room #2 is not painted in blue, as legally required.
9. Lifting devices (2 scissor lifts) only have have safety instructions in English, not Spanish. Also, the maximum load capacity

(weight) has not been posted as legally required.

10. The first aid kit is only available in HR; no first aid kits are available in production areas.

### **Local Law or Code Requirement**

Salvadoran General Regulations on Risks Prevention in the Workplace, Articles 34, 87, and 108, Sections 2, 117, and 237; FLA Workplace Code (Health, Safety and Environmental Benchmarks HSE.1, HSE.5.1, HSE.6.1, HSE.7, and HSE.14)

### **Root Causes**

1. Periodic inspections conducted by H&S staff failed to completely report all issues concerning fire safety and other legal requirements related to PPE.
2. There is no fire risk assessment in place.
3. Not enough training is given to workers to increase their awareness on the importance of having and knowing the fire prevention practices.

### **Recommendations for Immediate Action**

1. Ensure that all workers who work standing are provided with floor mats.
2. Mark evacuation routes on the floor throughout the different areas of the production floor and ensure that all aisles are unblocked.
3. Replace the overcharged extinguisher with one that meets the required conditions; replace the defective hose on fire extinguisher #73.
4. Unblock the electrical panel at the Forklift Workshop, clear the related obstruction, and post a restriction-access sign.
5. Post signs that say, "not an emergency exit" at loading docks.
6. Fix the emergency light at emergency exit #6; install an emergency light above the emergency exit in "Tunnel II LA."
7. Designate new emergency assembly areas, ensuring that they not obstruct emergency vehicle access.
8. Replace the signs related to mandatory PPE usage with those that meet the legal requirements with respect specific color.
9. Equip all lifting devices with safety instructions in Spanish and include their maximum load capacity.

## **COMPANY ACTION PLANS**

1. Facilities follow policies mandated by U.S. Corporate Health and Safety staff based upon the laws and regulations of the United States Department of Labor and El Salvador Labor Ministry. Current policies in place address how safety and health teams will be established and their duties; how worksite analysis will be conducted to identify any hazards in the workplace and to develop prevention plans for those hazards; how facilities will conduct an assessment to determine all major fire hazards and establish emergency evacuation procedures and finally how to review all work to determine ergonomic stressors and develop feasible engineering and administrators controls to eliminate or control such hazards.

**Action plan status:** Completed

**Planned completion date:** 03/01/15

**Progress update:** 03/04/15 : With respect to the FLA's recommendations: 1. Added ergonomic mats at all standing positions. Additional efforts to ensure sustainability: Facility provides ergonomic education to all employees annually. Ergonomic assessment takes place on a continuous basis with input from employees. Any static work position is offered ergonomic matting, however, some employees have declined such matting. Will review educational material and implement changes where appropriate to include re-education. 2. Immediately moved items partially blocking aisles. Employees were reminded on the importance to maintain proper staging areas. Evacuation exits are clearly marked with the word EXIT and emergency lighting is present leading personnel to such exits. Additional efforts to ensure sustainability: The Company provides education on an annual basis regarding emergency action to include blocking aisles, exits, rally points, earthquakes, severe weather, etc. and will review the educational material and implement changes where appropriate and provide re-education as necessary. The Company will also review the facility to determine where additional reflective signs with the word EXIT and a directional arrow pointing toward the exit may be placed on the walls, and determine if floor markings will be updated or removed. 3. Immediately replaced the overcharged extinguisher. An outside vendor reviewed the fire hose and determined it was not damaged. Additional efforts to ensure sustainability: All fire extinguishers are inspected on a monthly basis by educated and trained personnel. Educational material will be reviewed and updated where appropriate. An outside vendor will continue to conduct the required annual inspections and all hydrostatic testing. 4. The tools were immediately removed and a safety talk was provided to all personnel on the importance of maintaining the three foot clearance for electrical panels. Additional efforts to ensure sustainability: The Company will implement best practice to heighten the awareness around electrical

panels. 5. The Company will continue to mark any door that could be mistaken for an emergency exit door with signs stating "Not An Exit". 6. The emergency light was immediately repaired. The Company will not add an exit sign at the Tunnel II LA as this is not a designated exit. Additional efforts to ensure sustainability: Emergency exit signs and lights will continue to be inspected on a monthly basis and any deficiencies will be promptly corrected. The Company will also ensure personnel performing inspections have the proper education and training. The Company will also continue to provide education on an annual basis regarding emergency action to include blocking aisles, exits, rally points, earthquakes, severe weather, etc. and will review its educational material and implement changes where appropriate and provide re-education as necessary.

**Completion date:** 03/01/15

2. 7. The Company will consult with the industrial park management who had previously approved the location of the rally point. The rally point will be rearranged and the emergence action and fire preventions plans will be updated accordingly. The Company will also provide a safety training to all employees on assembling at the rally point.

**Action plan status:** Planned  
**Planned completion date:** 12/31/15

3. 8. The Company will review the law and discuss with the Labor Ministry if it can continue following international law on the color coding of signs as previously approved. If necessary following consultation with the Labor Ministry, the Company will change the color coding of signs and provide appropriate training to factory personnel.

9. First aid kits will be provided in the production areas.

**Action plan status:** Planned  
**Planned completion date:** 12/31/15

4. 10. All equipment in the facility will be reviewed and any signs in English will be updated to include Spanish. The maximum load capacity (weight) for lifting devices (2 scissor lifts) will be posted in Spanish. Additional efforts to ensure sustainability: A review of current policies will take place and if necessary, revisions or a new policy development will include instructions and education for inspection of signs included on newly received machinery and equipment to ensure it is in the proper language.

**Action plan status:** Planned  
**Planned completion date:** 12/31/15

## FINDING NO.13

### INDUSTRIAL RELATIONS

#### FINDING TYPE: Sustainable Improvement Required

##### Finding Explanation

1. The worker integration component is missing from all Employment Functions. This indicates that the factory has not established procedures to receive worker input/feedback on the creation, implementation, and revision of its policies and procedures. Also, workers are neither systematically integrated nor consulted on the decision-making processes.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

### COMPANY ACTION PLANS

1. The Company maintains an Internal Communication Binder which addresses the Open Door Policy, the Employee Resolution Process and the Global Compliance Hotline process. The Company formally meets with employees each year to

communicate these policies and address any questions. The Company requires a signed acknowledgement from the employee during these meetings.

The Company will review these policies and procedures in a consultative manner with employees based on the finding by the FLA and administer any changes where appropriate, with the goal of developing a more robust employee communication process to address formal and informal suggestions, feedback, appeals and/or grievances. The Company will communicate the policies and implement training where appropriate, to include employee orientation training processes. In addition, the Company will provide training on the Code of Conduct, which includes the Freedom of Association principle.

**Action plan status:** Planned

**Planned completion date:** 12/01/15

## **FINDING NO.14**

### **RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**

**FINDING TYPE:** Notable Feature

#### **Finding Explanation**

1. The factory's recruitment and hiring practices respect workers' sexual identity. Transgender workers have been hired and are allowed to freely express themselves and be open about their sexual identity within the workplace. This is a very positive practice in a country where discrimination and acts of violence based on sexual orientation and gender identity are very common. (See United States Department of State, Bureau of Democracy, Human Rights and Labor, *Country Reports on Human Rights Practices for 2012 / El Salvador 2012 Human Rights Report* (Executive Summary), pp. 21 – 22; United States Department of State, Bureau of Democracy, Human Rights and Labor, *Country Reports on Human Rights Practices for 2013 / El Salvador 2013 Human Rights Report* (Executive Summary), p. 21; Annual Report of the United Nations High Commissioner for Human Rights, *Discriminatory laws and practices and acts of violence against individuals based on their sexual orientation and gender identity*, 2011, pp. 10 – 12).