

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

20 Oct 2022



Factory Information

FLA Affiliates	Amer Sports
Country	El Salvador
Number of Workers	915

Understanding this Report

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.

FLA Code Element

Number of Violations

Compensation (C)	2
Employment Relationship (ER)	3
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	6
Nondiscrimination (ND)	1

Assessment Information

Assessor	VeLar International
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Assessment Purpose	
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	The company makes advance severance payments as part of workers' annual compensation. Although this practice is not prohibited by local law, FLA has previously identified cases of non-compliance with national regulations and the FLA Code in connection with the practice.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Article 38 Subsection 11 of the Politic Constitution of El Salvador. Article 58 of the Labor Code.
Benchmark ID	C.15.1.6
Benchmark Details	Employers shall provide workers a pay statement each pay period and not less frequently than once a month, which shall show all deductions.
Finding Details	Since the Social Institution does not pay for medical leaves during the first three days (only from the fourth), the factory pays 75% of the employees wages during the first three days, which is in compliance. However, the paystubs do not reflect the amount paid by the factory.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Employment Relationship (ER)

Benchmark ID	ER.2
Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	Based on the local law factories must hire one employee with disabilities for every twenty employees. At the moment the company has only hired 28 employees with disabilities for a total of 780 employees (correct number should be 39).
Recommendation for Immediate Action	Ensure to hire required number of disability employees and provide them with a fair, dignified and inclusive work.
Compliance Classifications	Immediate Action Required
Local Law	Article 63 of the Special Law for inclusion of dishability persons.
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

Finding Details	The factory is missing a retrenchment process that involves employees to avoid the layoff, discuss other option for employees and mitigate the effect when it is unavoidable. During the interviews with the union representatives, it was consistent that they created a new union sectional to protect their work, since non-unionized employees are more vulnerable to be dismissed by the company and over the unionized employees, the union representatives are more protected from these layoffs. In addition, it was mentioned that it is a common practice from the company to cut staff.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	Factory signs permanent contracts with the workers, however these contracts have a statement that establishes renewing each year.
Recommendation for Immediate Action	Remove the statement of renewing the contracts each year from the contracts.
Compliance Classifications	Immediate Action Required
Local Law	Article 25 of the Labor Code of El Salvador.
Harassment Or Abuse (H/A)	
Benchmark ID	H/A.5

Benchmark Details	Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.
Finding Details	During the interviews 7 employees out of 50 declared that their supervisors (from different areas) do not treat them with the required dignity and respect. Only verbal abuse was denounced, no physical abuse was reported.
Recommendation for Immediate Action	Provide trainings to supervisors and take measures to stop verbal abuse.
Compliance Classifications	Immediate Action Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	Emergency exits in the shipping area are not properly identified with exit signs and emergency routes are not signed.
Recommendation for Immediate Action	Ensure to identify emergency exits, stairs and all evacuation routes.
Compliance Classifications	Immediate Action Required
Local Law	Article 36 of the General Law for Risks' Prevention in the Working Places.

Benchmark ID	HSE.9.1
Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.
Finding Details	Chemical containers were not labeled in the general maintenance area.
Recommendation for Immediate Action	Ensure to label all chemical containers.
Compliance Classifications	Immediate Action Required
Local Law	Article 52 of the General Law for Risks' Prevention in the Working Places.
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	The general maintenance area was dirty and disorganized. The walls were dirty, there were areas disorganized placed with sticks, metal cable residues, papers, cement boxes and a grease container over the rodent trap.
Recommendation for Immediate Action	Ensure to keep all areas clean and organized.
Compliance Classifications	Immediate Action Required
Local Law	Article 59 and 60 of the General Law for Risks' Prevention in the Working Places.
Benchmark ID	HSE.13

Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	1.- The factory has installed fans in the areas; however there still are several complaints from employees about the poor ventilation inside the factory. 10 employees out of 50 in the interviews declared they have complaint about the ventilation without any result. In addition during the factory tour it was noted that fans are not in the best operating condition. 2.- There were electrical wires exposed in the maintenance area.
Recommendation for Immediate Action	1.- Ensure to install the required number of adequate fans in good operation condition and take necessary steps to measure the working environment weather. 2.- Ensure to cover all electrical wires.
Compliance Classifications	Immediate Action Required
Local Law	Article 20 and 43 of the General Law for Risks' Prevention in the Working Places. 39 of the General Law for Risks' Prevention in the Working Places.
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	There are fans and extractors that operate with blades without safety guards, to avoid accidents that can harm employees.
Recommendation for Immediate Action	Ensure to install required safety guards for fans and extractors.
Compliance Classifications	Immediate Action Required
Local Law	Article 40 of the General Law for Risks' Prevention in the Working Places.

Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1.- The racks installed in the factory are missing the maximum storage and loading capacity signs. 2.- First aid kits are missing proper identification signs. 3.- In the general maintenance area was noted a grid in the floor that can generate falling risks.
Recommendation for Immediate Action	1.- Ensure to install storage and loading capacity signs. 2.- Ensure to identify the first aid kits. 3.- Ensure to eliminate any risk on the floor.
Compliance Classifications	Immediate Action Required
Local Law	1.- Article 36 of the General Law for Risks' Prevention in the Working Places. 2.- Article 8 of the General Law for Risks' Prevention in the Working Places. 3.- Article 60 of the General Law for Risks' Prevention in the Working Places.

Nondiscrimination (ND)

Benchmark ID	ND.3
Benchmark Details	Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.
Finding Details	The factory does not allow hiring minors, even when the local law allows it under security circumstances.
Recommendation for Immediate Action	Please, provide working opportunities to all aspirants that cover legal requirements, without any age discrimination.
Compliance Classifications	Immediate Action Required
Local Law	Article 105 of the Labor Code of El Salvador.

