

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

26 Aug 2024



Factory Information

FLA Affiliates	adidas,Fanatics Apparel LLC,Nike, Inc,Patagonia,Under Armour, Inc.
Country	El Salvador
Number of Workers	2576

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

FLA Code Element	Number of Violations
Compensation (C)	1
Employment Relationship (ER)	5
Freedom Of Association And Collective Bargaining (FOA)	2
Harassment Or Abuse (H/A)	4
Health, Safety And Environment (HSE)	4
Hours Of Work (HOW)	3
Nondiscrimination (ND)	1

Assessment Information

Assessor	Rodriguez Compliance Group
Assessment Date	26 Aug 2024
Assessment Purpose	Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	<p>1. The company has incomplete procedures in regard to annual severance payments. The factory has a practice of advancing annual severance payments to employees. This is a common practice in the industry which is legally acceptable in El Salvador, however, the employees with less than 2 years seniority have expressed concerns. The policy is applied as follows: a) the worker who has worked at the company for more than 2 years will be paid 70% of the severance pay in December, and the remaining 30% in April; or b) the worker who has worked for less than two years will be paid 35% in December and then 15% in April. However, for the employee with less than 2 years of employment, the policy or procedural document does not communicate that the remaining balance of 50% will be paid when the employee ends the employment relationship with the company. This difference in the application of the policy has caused concern and dissatisfaction among employees with less than 2 years of seniority, and they wonder why the company acts differently with them, or if the worker will lose the payment of the outstanding 50%.</p> <p>2. The company lacks a Wage Deduction Policy which complies with the allowable deduction in accordance with local law. During this assessment, the auditors verified that there are times that the company deducts between 30% to 40% of the salary, due to court ordered garnishments to workers who already have previous credit commitments such as the mortgage on a house. The company must develop a policy and/or procedure which clarifies the maximum legal percentage for payroll, and when the company must meet court ordered garnishments, or other legal payroll deductions such as mortgage payments.</p>

<p>Recommendation for Immediate Action</p>	<p>1. It is recommended that the company review its compensation policy with the aim of uniform application with all employees. 2. The revised compensation policy should be communicated to all employees, including the Human Resources department. 3. Develop an implementation plan and a timeline to execute the above activities. 4. Provide clear communication to all level of employees on the legally acceptable deductions.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>Article 132 and 133 of the Labor Code.</p>

Employment Relationship (ER)

<p>Benchmark ID</p>	<p>ER.2</p>
<p>Benchmark Details</p>	<p>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.</p>

<p>Finding Details</p>	<p>The company does not comply with the legal requirement of hiring one worker with a disability for every twenty workers. Currently, the company employs a workforce of 2,895 employees and has hired sixty-four (64) workers with a recognized disability, as recognized by the Ministry of Health. The company has not developed nor communicated a policy or procedures on the employment or accommodation for individuals with a disability or who require any accommodation. Presently, the company will implement its non-discrimination policy as the principal policy in the employment or accommodation for individuals with disabilities or who require any accommodation. OBSERVATION: During the interview with two (2) workers with hearing impairments and the company's employee who is being trained in sign language translation, the auditor noticed moments when the communication did not flow smoothly. The company should continue with the skill-building of hearing/sign language individuals to help facilitate communication with hearing impaired workers. In addition, the company should consult with the current group of employees with disabilities on their ideas, comments or suggestions to improve the workplace experience.</p>
<p>Recommendation for Immediate Action</p>	<p>1. Review the legal requirements of the applicable law 2. Develop a policy and/or procedures to meet legal requirements. 3. Identify the current jobs or tasks appropriate for a candidate with a recognized disability, as legally recognized. 4. Identify groups or organizations within the community with a focus on recognized disability. 5. Develop targeted campaigns or job fairs for the communities of individuals with disabilities. 6. Obtain feedback from the current group of employees with disabilities on the company's policy, procedures, outreach efforts, strategy, etc. 7. Review on an annual basis the implementation of policy and procedures.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>Special Law for the Inclusion of Persons with Disabilities (approved by Legislative Decree No. 672 of June 22, 2020, and published in the Official Gazette No. 178 Volume 428 of September 3, 2020.)</p>
<p>Benchmark ID</p>	<p>ER.1.1</p>

<p>Benchmark Details</p>	<p>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.</p>
<p>Finding Details</p>	<p>A review of the company’s policy on termination and retrenchment, identified as "Politica de Reduccion de Personal, edicion 05, Mayo 2024" [Personnel Reduction Policy, edition 05, May 2024], lacks the following: 1) Any procedural step or process to consult with workers or their representatives is not identified [as per section V, Specific Procedures of the Policy, point C] until after the senior management has made the decision that a reduction in force or plant closure is necessary after reviewing alternative options. Furthermore, the document states, under subpoint (ii), the communication to workers or their representatives will consist of the employee list identified as the personnel eligible for the reduction. The policy document does not consider nor consult any workers’ representatives as early as possible with a view to avert or minimize layoffs. 2) The policy states the employees subject to reduction will be based on four (4) key criteria of equal weight (25%): performance, disciplinary actions within the last six months, seniority, and skill. However, the policy does not outline the following: a. Performance reviews are not systematic for the hourly or production workers, and the policy does not state if only the current year performance review or if more than one year of performance reviews will be considered. b. Which type of disciplinary action will be considered, whether minor, serious, or very serious. c. How many years of seniority will be considered, for example, less than 2 years. d. If the skill level will be limited to production activities or if other performance factors will be considered. 3) The policy document lacks any communication or strategies to be developed and implemented to mitigate the adverse effects of such changes on the worker population and their communities. 4) The policy document does not address the opportunity to transfer to other owned and operated facilities, or to facilitate employment with other enterprises in the region or country. 5) The policy document does not state explicitly that discriminatory practices will be prohibited, and employment decisions will not made on personal characteristics (gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.)</p>

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	<p>The company has provided training on the concept of 360 evaluation or performance review to production workers in April 2024 and to supervisors in June 2024, however, this concept is not understood by the production workers nor by supervisors. The company presented a document used for the purpose of an annual performance review of production workers. However, when the worker signs the e-version of the document the observations of the evaluator, whether positive or negative, are not visible. Even though the form identifies a space for the worker to add his /her comments, the space is left blank. The auditor noticed that each performance review uploaded to the company's internal platform took on average 5 minutes, which raises the questions if the evaluator took the time to discuss the performance review or gave time for the worker to write comments. The auditor reviewed the list of recent performance reviews conducted and sample workers interviewed had not received a performance review. Furthermore, none of the workers interviewed could remember the process of a performance review, going through a performance review, or receiving a hard copy of the performance review. At the closing meeting, management did express concern about the time taken away from production activity, if an evaluator takes time to conduct a performance review with a production worker, coupled with the fact that there is a large plant population which would require time and effort to conduct performance reviews.</p>
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	The company has a 360 system for performance review, and provided training to production workers in April 2024, and training to supervisors in June 2024. According to worker interviews and document review, the performance review is not understood nor known by workers. For further details, please reference ER.6.1.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.16.3
Benchmark Details	Where temporary or permanent layoffs are unavoidable, a plan should be developed and implemented that mitigates the adverse effects of such changes on workers and their communities.

Finding Details	A review of the company’s policy on termination and retrenchment, identified as "Politica de Reduccion de Personal, edicion 05, Mayo 2024" [Personnel Reduction Policy, edition 05, May 2024], lacks the following: - any communication or strategies to be developed and implemented to mitigate the adverse effects of such changes on the worker population and their communities, and does not address the opportunity to transfer to other owned and operated facilities, or to facilitate employment with other enterprises in the region or country.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.15
Benchmark Details	Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.

<p>Finding Details</p>	<p>Presently, the union representatives do not have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space. The union is allowed to post on their bulletin boards within the factory. The company must apply the provisions of the Americas' Group "Guide for Employers Ensuring Respect for Freedom of Association in El Salvador" which states "The employer should provide an office or other space for union meetings or other union activities outside of working hours or within working hours with the employer's authorization. If the employer cannot provide existing offices or meeting rooms on a full-time basis, such offices or rooms may be granted for certain periods of time, determined through negotiations with the members of the board of directors of the union(s)." A review of the meeting minutes of July 2023 from the "mesa de dialogo" [dialogue table], the request for meeting space has been raised by the union, but management advised there is a change in office spaces.</p>
<p>Recommendation for Immediate Action</p>	
<p>Compliance Classifications</p>	<p>Sustainable Improvement Required</p>
<p>Local Law</p>	
<p>Benchmark ID</p>	<p>FOA.6</p>
<p>Benchmark Details</p>	<p>Workers who have been unjustly dismissed, demoted or otherwise suffered a loss of rights and privileges at work due to an act of union discrimination shall, subject to national laws, be entitled to restoration of all the rights and privileges lost, including reinstatement, if they so desire.</p>

Finding Details	The FEASIES trade union federation and three union sectional representatives that belong to this federation reported possible discrimination based on union affiliation against a worker. Before the unlawful termination in June 2022, the union member worked as a mechanic. After the reinstatement in July 2022, the worker alleges he has not worked as a mechanic but performs maintenance tasks within the mechanic department. There have been no changes to his wages. This situation has been raised and discussed at various “mesa de dialogo” [dialogue tables], specifically in July and October 2023, but the matter has not been resolved. The company management has not disputed the job classification of the mechanic.
Recommendation for Immediate Action	1. The company must address this issue immediately and finalize the reinstatement of this worker as a full-time mechanic with the responsibilities and task, and continuous training, as appropriate, for the mechanic job classification.
Compliance Classifications	Uncorroborated Risk of Non-Compliance
Local Law	

Harassment Or Abuse (H/A)

Benchmark ID	H/A.6
Benchmark Details	Employers shall not use any form – or threat – of psychological abuse, such as forcing workers to sign letters of self-criticism or posting names of workers subject to disciplinary measures as a means to maintain labor discipline.
Finding Details	Review H/A.5 for additional information.

<p>Recommendation for Immediate Action</p>	<p>1. The company should conduct an investigation on these abuses. 2. For the abusers who engage in such actions, the company should implement targeted training on prohibition of such behaviors and implement positive changes. Then issue a performance plan with specific targets and dates to each manager, supervisor or coordinator responsible for abuses. 3. Implement a survey or feedback from the direct reports of the abuser in order to gauge improvement in behaviors. 4. Implement the progressive discipline procedures on abusers.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>El Salvador Labor Code, Article 29, clause 5</p>
<p>Benchmark ID</p>	<p>H/A.5</p>
<p>Benchmark Details</p>	<p>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.</p>
<p>Finding Details</p>	<p>According to information obtained during the audit, cases of verbal and psychological abuse were identified. The individuals implicated in such abuses are managers, supervisors, and coordinators. The actions are not only against workers, but other supervisory or mid-level managers suffer such abuses which are witnessed by workers. The abuses range from shouting at workers, insulting individuals, the use of foul, vulgar, or inappropriate language, questioning why a worker needs permission for medical services, or perceived acts of psychological abuse towards an individual worker. Facility management is aware of some of the individuals who are responsible for these actions, as the union representatives have discussed these individuals and abuses in the "mesa de dialogo" [dialogue tables], specifically, in July and October 2023, and February and April 2024. The company has clear policies and procedures against such behavior or comportment, which is communicated to all workers both at new hire orientation and annual refresher but the behaviors by managers, supervisors, and coordinators is a persistent and unresolved situation.</p>

<p>Recommendation for Immediate Action</p>	<p>1. The company should conduct an investigation on these abuses. 2. For the abusers who engage in such actions, the company should implement targeted training on prohibition of such behaviors and implement positive changes. Then issue a performance plan with specific targets and dates to each manager, supervisor or coordinator responsible for abuses. 3. Implement a survey or feedback from the direct reports of the abuser in order to gauge improvement in behaviors. 4. Implement the progressive discipline procedures on abusers.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>El Salvador Labor Code, Article 29, clause 5</p>
<p>Benchmark ID</p>	<p>H/A.2</p>
<p>Benchmark Details</p>	<p>Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance, for broken or lost tools/machinery, or for violating company rules, regulations, and policies.</p>

<p>Finding Details</p>	<p>1. The policy document identified as “Procedimiento Disciplinario, SAL-RH-PR-022, versión 3” [Disciplinary Procedures, SAL-RH-PR-022, version 3] does not affirm that sanctions will not include financial penalties of any type. 2. The company imposes monetary sanctions in the following cases: if the employee loses the company-issued water bottle, or if the worker requests a new uniform because the old uniform is damaged, and the worker cannot provide an adequate explanation for the damage. The company will charge for a new water bottle or a new uniform. The auditors are aware that once a year the company will provide free of charge two (2) uniforms for each worker, and soon may provide three (3) new uniforms per year. During the sample review of forty (40) worker payroll documents, the following deductions were made against a worker's salary, in the following amounts: \$1.00 water bottle, \$6.25 jacket, \$4.00 T-shirt, \$10.75 polo shirt, and \$23.75 Oxford shirts. The months reviewed were January, May, June, July, and August 2024. However, the HR manager shared that the company plans to stop such deductions as it was raised by the union. Issue #3. The company should provide timely communication when there are changes to disciplinary practices, or advise that financial penalties will not be imposed, such as the situation of lost ID cards. Previously, the company charged workers for lost ID cards, however, the company will no longer issue a financial penalty for the replacement card and instead will issue a disciplinary measure. However, when auditors interviewed workers, neither the workers nor the union representatives were aware of this new change in procedures.</p>
<p>Recommendation for Immediate Action</p>	
<p>Compliance Classifications</p>	<p>Sustainable Improvement Required</p>
<p>Local Law</p>	
<p>Benchmark ID</p>	<p>H/A.9.1.1</p>
<p>Benchmark Details</p>	<p>Employers shall refrain from any act of sexual harassment, including inappropriate remark, insult, joke, insinuation, and comment on a person's dress, physique, age, family situation, etc.</p>

Finding Details	According to information learned during the audit, the auditor identified a situation of alleged sexual harassment by a sewing supervisor against a sewing worker. The facility management is aware of the inappropriate behavior. The company has clear policies and procedures against such behavior or comportment, which is communicated to all workers both at new hire orientation and annual refresher, but this case of sexual harassment has remained unresolved.
Recommendation for Immediate Action	1. The company should conduct an investigation on the abuses related to sexual harassment. 2. For the abuser who engages in such actions, the company should implement targeted training on the prohibition of such behaviors and implement positive changes. Then issue a performance plan with specific targets and dates to the individual who engages in sexual harassment. 3. Implement a survey or feedback from the direct reports of the abuser in order to gauge improvement in behaviors. 4. Implement progressive discipline procedures against the abuser.
Compliance Classifications	Immediate Action Required
Local Law	El Salvador Labor Code, Article 29, clause 5, and Special Comprehensive Law for a Life Free of Violence for Women and on March 8, 2011, the Law on Equality, Equity and Eradication of Discrimination Against Women was issued by Legislative Decree No. 645, dated March 17, 2011, published in the Official Gazette No. 70, Volume No. 391.

Health, Safety And Environment (HSE)

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	Please refer to finding HSE.10.1

<p>Recommendation for Immediate Action</p>	<p>1. The factory should review and inspect the procedures to ensure proper identification of containers of chemicals. 2. The factory shall communicate this policy and/or procedures to workers and supervisors related to chemical safety management. 3. Ensure all workers who handle chemicals receive training, both at orientation and annual refresher. 4. Develop an internal audit procedure to review all containers are properly labeled, and that workers are encouraged to highlight any errors or omissions in the chemical management</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>Article 220 of the General regulations for risk prevention in the workplace.</p>
<p>Benchmark ID</p>	<p>HSE.19</p>
<p>Benchmark Details</p>	<p>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.</p>
<p>Finding Details</p>	<p>During the physical review of the on-site clinic, the auditor noticed the lactation room reserved for nursing mothers had stacks of files or documents on the counter indicating the room became a work area for the medical staff. In addition, the exam table used for patients still had the tissue from the examination of the previous patient, and the room had boxes of supplies on the floor. In a review at the "mesa de dialogo" in February 2024, the union raised concerns about the inadequate medical attention provided to workers. The medical staff who are direct employees of the company but work under the guidelines of the ISSS, should adhere to medical protocols in keeping the area clean and in hygienic conditions. Observation: Due to the large workforce, the capacity of the medical clinic or staff seems to be affected.</p>
<p>Recommendation for Immediate Action</p>	<p>1. The medical staff should ensure the area is clean and hygienic at all times. 2. The HSE team should conduct periodic evaluation of the medical clinic. 3. Identify appropriate areas for storage of materials, supplies, or files/records.</p>

Compliance Classifications	Immediate Action Required
Local Law	Specific Internal Control Technical Standards of the Salvadoran Social Security Institute [ISSS] (October 2022), and Law on the Duties and Rights of Patients and Health Service Providers Patients' Rights
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 company has applied for the Environmental Permit for the extension of building #2, even though, the production processes conducted are the same, the square meters have been increased. The local government authorities have not issued a revised permit nor an extension to the current permit. 2. In the raw material warehouse, the wooden bases of the metal racks were observed to be sagging and at risk of causing further damage if the wooden base could not support the weight of the fabric.
Recommendation for Immediate Action	1. Obtain an updated or finalized permit that reflects the local government entity accepting the increased square feet of the facility. 2. Identify with an HSE expert on the issue of sagging wooden bases and the impact on workers. 3. Identify if another method is acceptable to store fabric in the racks. 4. Conduct a periodic review of the wooden bases of the racks, and replace if necessary
Compliance Classifications	Immediate Action Required
Local Law	For issue #1 - Article 22 of the Environmental Law.
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.

Finding Details	During the physical review, the auditor noticed, in the ink mixing area, a chemical container did not have a contents label and a second chemical container had an illegible label. The SDS for the chemical was not readily available in the work area. However, the document was found and the containers were properly labeled before the audit day ended.
Recommendation for Immediate Action	1. Ensure the SDS is available for chemicals handled or stored on site, especially in the work areas. 2. Train all workers who handle chemicals to know and understand the SDS documents. 3. Conduct periodic internal audit to ensure SDS are available in the necessary work areas.
Compliance Classifications	Immediate Action Required
Local Law	Articles 224 of the General regulations for risk prevention in the workplace.

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	The company lacks a clear policy and procedure on medical and personal leave, such as: leave for women who have faced gender violence, or to attend legal procedures and/or medical appointments; paternity leave; and/or leave for workers facing family problems/responsibilities (including illnesses of family members). During the assessment, the auditor verified that the payroll department and/or the HR department apply different criteria for the payment of medical leave. In addition, during the interviews, the workers expressed that they were not clear about the company's Leave Policy.

Recommendation for Immediate Action	<p>1.Develop and implement a policy and procedure on leaves that include the requirements for the granting of legal leaves.</p> <p>2.Communicate with all levels of employee. 3.Provide targeted training for the payroll and HR departments for the purpose of consistent in application. 4.This Policy should be included in training, both at new hire and annual refresher.</p>
Compliance Classifications	Immediate Action Required
Local Law	<p>El Salvador Labor Code, Article 29, clause 5, and Special Comprehensive Law for a Life Free of Violence for Women and on March 8, 2011, the Law on Equality, Equity and Eradication of Discrimination Against Women was issued by Legislative Decree No. 645, dated March 17, 2011, published in the Official Gazette No. 70, Volume No. 391.</p>
Benchmark ID	HOW.17
Benchmark Details	<p>Employers shall not impose any undue restrictions on sick leave. Any workplace restrictions or procedures regarding sick leave (e.g. informing the employer as soon as possible, the provision of medical certificates, the use of designated doctors or hospitals) must be in line with national laws, regulations and procedures and must be communicated in full to all workers.</p>
Finding Details	Please review HOW.1.1 for additional information.
Recommendation for Immediate Action	<p>1.Develop and implement a policy and procedure on leaves that include the requirements for the granting of legal leaves.</p> <p>2.Communicate with all levels of employee. 3.Provide targeted training for the payroll and HR departments for the purpose of consistent in application. 4.This Policy should be included in training, both at new hire and annual refresher.</p>
Compliance Classifications	Immediate Action Required
Local Law	El Salvador Labor Code, Article 29, clause 6
Benchmark ID	HOW.21

Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	From the sample review of payroll records of 40 workers, the auditors identified thirteen (13) instances during a peak period, the month of June 2024, in which workers exceeded 60 hours of work in a week. The thirteen employees, in the screen-printing area, worked more than 60 hours during the weeks of June 3-8, 2024, and June 10-15, 2024. The screenprint area has 61 workers, and the workers who exceeded the hours of work are from the production area, a supervisor, and a maintenance mechanic.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Nondiscrimination (ND)

Benchmark ID	ND.2.2
Benchmark Details	Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.
Finding Details	A review of the company's policy on termination and retrenchment, identified as Politica de Reduccion de Personal (edicion 05, Mayo 2024) [Personnel Reduction Policy], lacks 5) identified the document does not state explicitly that discriminatory practices will be prohibited, and employment decisions will not made on personal characteristics (gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.) REVIEW ER.1.1 and ER.16.3 for additional information

<p>Recommendation for Immediate Action</p>	<p>1. Review code requirements and revise policy as appropriate. Procedures should include dialogue with workers/representatives to identify alternative options to avert or minimize layoffs, and lack of communication with the local community. 2. Communicate to all levels of employees the revised policy, update the employee handbook, and if appropriate, include concept in the annual refresher training. 3. Train all levels of employees, as appropriate. 4. Review policy on a periodic basis.</p>
<p>Compliance Classifications</p>	<p>Sustainable Improvement Required</p>
<p>Local Law</p>	

