



## INDEPENDENT EXTERNAL ASSESSMENT REPORT

### Verification

AA0000000308

COMPANY: Brooklyn Mfg. Ltda. de C.V.

COUNTRY: El Salvador

PRODUCT: Apparel, Headwear, Cut, Sew, Full [= full package],

PROCESSES: Wash, Embroidery, Screen Printing/Printing, Packing, Assembly, Cleaning/Stain Removing, Inspection/QC, Pressing/Ironing, Warehouse, Welding, Bundling

NUMBER OF WORKERS: 1680

NUMBER OF WORKERS INTERVIEWED:

ORIGINAL ASSESSMENT DATE: 08/28/13

ORIGINAL ASSESSMENT MONITOR: FLA Assessor Team (Americas)

VERIFICATION ASSESSMENT DATE: 07/25/17

VERIFICATION ASSESSMENT MONITOR: Francisco Chicas

#### FLA Comment:

Brooklyn Manufacturing ceased production in February 2019 after 28 years of operation. Due to their closure, Brooklyn has ceased affiliation with the FLA. Due to the closure, the company will no longer report on the remediation of issues identified this assessment.



# Understanding this Assessment Report

This report is to verify the remediation status of findings from a previous workplace assessment based on the Fair Labor Association's Sustainable Compliance methodology (SCI). This report also includes new findings utilizing the SCI methodology. The SCI assessments evaluate a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle. SCI assessments are conducted by FLA accredited assessors.

This report identifies the status of remediation of violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions. It also includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each finding 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 of each finding.

## Glossary

**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.

**Verification status**: The status of the remediation plan for each finding as determined by the assessor. The findings are labeled either Not Remediated, Partially Remediated, or Remediated.

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

# Findings and Action Plans

## FINDING NO.1

### RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. Most job descriptions include gender and age requirements. [ND.2]
2. New worker request forms include gender specification. [ND.2]
3. Based on documentation review and physical inspection, it was noted that some job positions such as quality inspector, maintenance assistant, and warehouse assistant are filled by a specific gender. [ER.3.2]

**Local Law or Code Requirement**

FLA Workplace Code (Non-discrimination Benchmark ND.2.1; Employment Relationship Benchmark ER.3.2)

**Root Causes**

1. The cultural acceptability in El Salvador of designating certain positions as being gender- and age-specific. Generally, females seek quality inspector jobs and males seek packing or warehouse jobs.
2. Lack of specific and in-depth training on non-discrimination for personnel in charge of: a) creating or generating documents/forms and b) recruitment and hiring.
3. The methodology used by factory when reviewing the recruitment and hiring tools did not take into account all relevant documents.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Planned</li> <li>4. Planned</li> <li>5. Planned</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 03/17/14</li> <li>2. 01/06/14</li> <li>3. 04/04/14</li> <li>4. 05/02/14</li> <li>5. 05/31/14</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Job descriptions will be updated and the gender and age options will be eliminated.</li> <li>2. Brooklyn plans to eliminate the gender field option from the new worker request form.</li> <li>3. Human Resources staff is to establish and implement an effective internal monitoring procedure to ensure that all policies, procedures, and other documents are consistent with local law and FLA Benchmark requirements.</li> <li>4. Management is to ensure ongoing training on non-discrimination standards for personnel in charge of policy/procedure development and implementation.</li> <li>5. Workers and middle management are to receive training on FLA's non-discrimination benchmarks; revise job descriptions to prevent gender bias in hiring and recruitment decisions.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 10/29/15: Gender and age requirements were removed from job descriptions.</li> <li>2. 04/07/14: Brooklyn has eliminated the gender field option from the new worker request form.</li> </ol>

	3. N/A 4. N/A 5. N/A
<b>Completion Date:</b>	1. 02/11/14 2. 01/06/14 3. N/A 4. N/A 5. N/A

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:** Assessors reviewed the updated job descriptions and they no longer include gender and age requirements.

**2. Finding Status: Remediated**

**Explanation:** Assessors reviewed the revised worker request form used by the factory to recruit new workers. It does not include a field or question regarding the applicant's gender.

**3. Finding Status: Remediated**

**Explanation:** Positions such as quality inspector, maintenance assistant and warehouse assistant are now filled by male and female workers.

**FINDING NO.2**

**RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. Management has not created a policy and procedures related to personnel development that include the requirement of periodic performance reviews and define how these reviews are linked to promotion opportunities. In-depth interviews revealed that workers do not know of the existence of any mechanisms to have performance evaluations/reviews or opportunities to earn or request salary increases. Workers reported the need for a formal and detailed personnel development program that includes performance evaluations, feedback on quality of work, and promotion opportunities. [ER.1, ER.1.1, ER.15, ER.28, and ER.30.1]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.1.1, ER.15, ER.28, and ER.30.1)

**Root Causes**

1. Factory has implemented practices on personnel development without seeing the need of having a written policy.
2. Management lacks awareness of the newly-created FLA Employment Relationship benchmarks.
3. For most workers, promotion and personnel development opportunities are, for all practical purposes, very limited or not available at all.
4. Local labor law does not mandate these policies and procedures.

<b>Action Plan Status:</b>	1. Completed 2. Planned 3. In Progress
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	4. Completed
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 04/05/14</li> <li>2. 05/02/14</li> <li>3. 06/27/14</li> <li>4. 06/27/14</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Develop a policy on personnel development with a periodic review of individual performance that provides employees with promotion opportunities.</li> <li>2. Train all workers, supervisors, and managerial staff regularly on the new policy and procedure on personnel development.</li> <li>3. Factory is to facilitate: a) communication with and active participation of workers on new policy and procedures, b) continuous training, and c) a mechanism for workers to express their views and opinions on personnel development.</li> <li>4. Ongoing evaluation and review of policies and procedures.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 10/29/15: We have developed a Policy on Personnel Development</li> <li>2. N/A</li> <li>3. 10/29/15: Brooklyn is facilitating communication with an active participation of workers on the new and revisions of policies and procedures, by presenting them every week at the Employees Council for them to get their coworkers input</li> <li>4. 06/27/17: Policies and procedures have been reviewed/updated and published</li> </ol> <p>10/29/15: We are actually on the process of reviewing/updating all our policies and procedures.</p>
<b>Completion Date:</b>	<ol style="list-style-type: none"> <li>1. 02/21/14</li> <li>2. N/A</li> <li>3. N/A</li> <li>4. 09/17/14</li> </ol>

### **Verification Result:**

#### **1. Finding Status: Partially Remediated**

##### **Explanation:**

In September 2014 the factory created a policy on Personnel Development that includes a requirement for conducting periodic performance reviews and defines how these reviews are linked to promotion opportunities. However, the factory does not provide ongoing worker training on Personnel Development; from worker interviews, assessors found that most of workers are still unaware of the Personnel Development program (policies and procedures) used to implement performance reviews and promotion opportunities. [ER.1.2, ER.15.2]

##### **Root Causes:**

1. As the factory has implemented some communication efforts on Personnel Development (e.g., verbal briefs by supervisors, posting of Personnel Development policies and procedures) management did not consider it necessary to provide ongoing training to workers on this Employment Function.
2. Factory was not aware that the communication efforts had not been effective in informing workers of the Personnel Development policies and procedures.

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

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2 and ER.15.2)

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	September 2017
<b>Progress Update:</b>	Personnel Development policies and procedures will be included on Annual Code of Conduct refresh training
<b>Completion Date:</b>	

## FINDING NO.3

### COMPENSATION

#### FINDING TYPE: Uncorroborated Risk of Noncompliance

##### Finding Explanation

1. Based on worker interviews, workers' wages are not enough to cover their basic needs and provide a discretionary income as a substantial portion of their wages are used for food, utility bills, and childcare expenses. (FLA Comment: The assessment methodology in use by the FLA at the time of this assessment did not involve collection of compensation data nor specific benchmarks against which to measure the adequacy of compensation received by the workers. Fair Compensation findings were based solely on worker interviews/perception and are therefore not actionable for remediation purposes. In 2015, the FLA launched its Fair Compensation Work Plan which requires the collection and benchmarking of compensation data.) [C.1.3]

##### Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.1.3)

##### Root Causes

1. The Salvadoran textile industry currently does not provide wages that would allow the fulfillment of basic needs and a discretionary income.
2. Management lacks awareness of FLA's Workplace Code and Benchmarks related to compensation issues.
3. The issue has not been brought to the attention of the factory management during previous external audits.
4. There is no wage structure in the factory that would enable workers to progressively realize a wage level that meets basic needs.

<b>Action Plan Status:</b>	1. Completed 2. Planned
<b>Planned Completion:</b>	1. 04/04/14 2. 06/27/14
<b>Progress Update:</b>	<u>Original Action Plan</u> 1. Management is to take an online FLA Fair Wage Self-Assessment. 2. Based on the self-assessment results, factory is to work together with the FLA-affiliated company and FLA to create strategies that would progressively ensure workers a wage level that covers their basic needs and allows for discretionary income.  <u>Progress Updates</u> 1. 08/04/15: Brooklyn has already taken the FLA Fair Wage Self-Assessment  04/07/14: Brooklyn has started taking the online FLA Fair Wage Self-Assessment 2. N/A
<b>Completion Date:</b>	1. 03/26/14 2. N/A

##### Verification Result:

1. Finding Status: **Remediated**

##### **Explanation:**

In March 2014, the factory completed and submitted the online FLA Fair Wage Self-Assessment.

## FINDING NO.4

### COMPENSATION

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. 845 production employees from Plant 1 and 340 employees from Plant 2 (cutting) worked during the last vacation period (August 5 – 9, 2013). Labor law mandates that days off during vacation periods must be used for rest. [ER.1, ER.22]
2. Payments to those employees who worked during the last vacation period in August 2013 were not reported or calculated in the payroll. As a result, pension and social security contributions were not deducted and paid to the relevant institutions, as required by law. [ER.22]
3. Factory does not have a policy and procedures on compensation and benefits. [ER.1]

##### Local Law or Code Requirement

Salvadoran Labor Code, Article 188; Pension Saving System Law, Article 14; Regulations for the Application of the Social Security Regimen, Article 3; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.22.1)

##### Root Causes

1. There is no mechanism to harmonize production needs with workers' right to take days off during vacation periods. Factory management does not take into account all vacation periods in a year when negotiating production orders with its buyers.
2. It is a common practice in El Salvador for workers to accept work during vacation periods to increase their income.
3. Workers and factory management agreed to not report vacation payments for August 2013 in the payroll to avoid legal deductions, which benefits both parties.
4. Establishing policy and procedures on compensation and benefits is a relatively new FLA requirement under the Employment Relationship benchmarks; the factory has not yet aligned its management system accordingly.

##### Recommendations for Immediate Action

1. Factory management is to ensure that all workers take their days off during every vacation period;
2. Factory management is to ensure that different forms of compensation, e.g. overtime and production bonuses, are calculated and included in the payroll, along with the respective legal deduction.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. In Progress</li><li>4. Planned</li><li>5. Completed</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 01/06/14</li><li>2. 04/04/14</li><li>3. 04/04/14</li><li>4. 05/02/14</li><li>5. 01/06/14</li></ol>
<b>Progress Update:</b>	<u>Original Action Plan</u> <ol style="list-style-type: none"><li>1. All workers will take their days off during every vacation period.</li><li>2. Factory management is to adjust its annual production planning in order to harmonize production needs with workers' right to rest during all vacation periods / 3 months;</li><li>3. Factory management is to develop policy and procedures for compensation and benefits that are consistent with FLA standards.</li><li>4. Factory management is to train all workers, supervisors, and those in managerial positions and to regularly communicate: a) the newly created</li></ol>

	<p>compensation and benefits policy and procedures and b) applicable provisions related to the right to vacations.</p> <p>5. Factory management has given instructions to the Production Planning Department that workers will not work during their vacation period. This issue has arisen from the fact that a vacation period was worked. Brooklyn is in accordance with the law, regarding the calculation and inclusion in the payroll of all forms of compensation, along with the respective legal deduction; except for this one-time event.</p> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 04/07/14: Management has given instructions to Production Planning Department that during the annual planning do not include vacation periods into the production program. Vacation periods are, as follows: 7 days - Easter Holiday, and 14 days in December</li> <li>2. 04/07/14: Management has given instructions to Production Planning Department that during the annual planning do not include vacation periods into the production program. Vacation periods are, as follows: 7 days - Easter Holiday, and 14 days in December</li> <li>3. 10/29/15: We have developed a policy for compensation and benefits that is consistent with the FLA standards</li> <li>4. N/A</li> <li>5. 04/07/11: Factory management has given the instruction that workers will not work during their vacation periods, and the annual production planning has been adjusted in order to workers take their days off during every vacation</li> </ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"> <li>1. 01/06/14</li> <li>2. 01/06/14</li> <li>3. N/A</li> <li>4. N/A</li> <li>5. 01/06/14</li> </ol>

**Verification Result:**

**1. Finding Status:** Remediated

**Explanation:**

Based on worker and management interviews and records review, assessors found that the factory provides two vacation periods every year, one in December and the other one for the Holy Week Season. Gathered evidence from records reviewed and worker interviews also showed that workers are fully enjoying all vacation days, as legally required.

**2. Finding Status:** Remediated

**Explanation:**

From payroll review, assessors corroborated that all vacation payments are now registered in a valid formal payroll; as a result, applicable social security and pension fund contributions are deducted and paid to the relevant institutions, as legally required.

**3. Finding Status:** Remediated

**Explanation:**

Based on records reviewed, assessors found that the factory has now developed policies and procedures on Compensation.

**FINDING NO.5**

**TERMINATION & RETRENCHMENT**

**FINDING TYPE:** Sustainable Improvement Required

### **Finding Explanation**

1. Despite the fact that the factory has a document titled "Termination Policy," this document does not meet the guidelines required for a formal termination and retrenchment policy. [ER.32.1]

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

FLA Workplace Code (Employment Relationship Benchmark ER.32.1)

### **Root Causes**

1. Establishing policy and procedures on termination & retrenchment is a relatively new FLA requirement under the Employment Relationship benchmarks; the factory has not yet aligned its management system accordingly.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. Planned</li><li>4. Completed</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 04/04/14</li><li>2. 04/04/14</li><li>3. 05/30/14</li><li>4. 05/30/14</li></ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"><li>1. Develop termination and retrenchment policies and procedures that include equal opportunity provisions, according to FLA benchmarks and requirements.</li><li>2. Develop a procedure to ensure that workers and/or their representatives are consulted when layoffs or retrenchments are being considered.</li><li>3. Train all workers, supervisors, and managerial staff regularly on the procedure to consult with workers and/or their representatives when layoffs or retrenchments are being considered.</li><li>4. Designate staff to be responsible for the proper implementation and enforcement of the newly created termination/retrenchment policy and procedures.</li></ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"><li>1. 06/27/17: Policies and procedures have been developed according to FLA standards 10/29/15: We have developed a Termination and Retrenchment policies according to FLA standards</li><li>2. 06/27/17: Procedure has been developed</li><li>3. N/A</li><li>4. 10/29/15: The staff to be responsible for the proper implementation and enforcement of the newly created termination/retrenchment policy and procedures are: Mike Rodgers - General Manager Ana Miriam Mixco - Human Resources Manager Patricia Acevedo - Social Compliance Coordinator</li></ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"><li>1. 09/18/14</li><li>2. 05/30/14</li><li>3. N/A</li><li>4. 03/01/14</li></ol>

### **Verification Result:**

1. Finding Status: **Remediated**

#### **Explanation:**

In September 2014, the factory revised the Termination & Retrenchment policies. Both documents now include all elements required under the applicable FLA Compliance Benchmarks.

## FINDING NO.6

### INDUSTRIAL RELATIONS

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. Factory has not created and implemented industrial relations policy and procedures. [ER.1]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship benchmark ER.1.1)

**Root Causes**

1. Management's lack of awareness of FLA's Industrial Relations Benchmark requirements.
2. As factory has not recently experienced any relevant "labor relations" situations, they have not seen the need for developing Industrial Relations policy and procedures.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. Completed</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 05/02/14</li><li>2. 05/02/14</li><li>3. 05/02/14</li></ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"><li>1. Based on FLA benchmarks, management is to create and implement Industrial Relations policy and procedures that: a) include the current commitment to Freedom of Association and b) enable workers to consult with and provide input to management through the existing structures and mechanisms.</li><li>2. Train all workers and those in supervisory and managerial positions regularly on the newly created policies and procedures on Industrial Relations.</li><li>3. Designate staff responsible for the proper implementation/enforcement of the newly created policy and procedures.</li></ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"><li>1. 10/29/15: We have created and implemented Industrial Relations policy and procedures based on FLA standards</li><li>2. 10/29/15: We have already trained all workers on the Industrial Relations.</li><li>3. 10/29/15: The staff to be responsible for the proper implementation and enforcement of the newly created policy and procedures are: Mike Rodgers - General Manager Ana Miriam Mixco - Human Resources Manager Patricia Acevedo - Social Compliance Coordinator</li></ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"><li>1. 04/25/14</li><li>2. 06/02/14</li><li>3. 03/01/14</li></ol>

**Verification Result:**

1. Finding Status: **Remediated**

**Explanation:**

From records review, assessors found that in April 2014 and September 2014 the factory developed a policy and a procedure on Industrial Relations.

## FINDING NO.7

### WORKPLACE CONDUCT & DISCIPLINE

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. Workers' right to appeal disciplinary actions is not properly regulated; there is no procedure for appeals. [ER.27]
2. Some disciplinary actions, such as verbal warnings, are not properly recorded. [ER.27]
3. There is no ongoing training on workplace conduct and disciplinary practices for supervisors and production workers. [ER.17]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.17.1, ER.27.1, and ER.27.2.2)

#### Root Causes

1. Management's lack of awareness of the importance of clear regulation of a disciplinary system's key elements and rules for the proper implementation of an appeals procedure.
2. Peak production periods may create obstacles to the planning and execution of trainings.
3. Recording disciplinary actions in a comprehensive manner is time consuming for Human Resources staff.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. Completed</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 03/07/14</li><li>2. 05/02/14</li><li>3. 05/02/14</li></ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"><li>1. Factory management is to develop workplace conduct/discipline policies and procedures that include a description of the appeal process.</li><li>2. Management is to periodically check that policies and procedures are being implemented as intended and properly documented.</li><li>3. Factory is to regularly train all workers, supervisors, and those in managerial positions on the applicable rules related to the disciplinary system.</li></ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"><li>1. 10/29/15: We have included the description of the appeal process</li><li>2. 10/29/15: Policies and procedures are to be checked once a year or any time there is an update or a new law.</li><li>3. 10/29/15: All workers have been trained on the Disciplinary system</li></ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"><li>1. 04/04/14</li><li>2. 02/04/14</li><li>3. 07/07/14</li></ol>

#### Verification Result:

1. Finding Status: **Remediated**

#### **Explanation:**

From records review and interviews with workers and management, assessors corroborated that the factory updated the disciplinary procedures to develop a robust and comprehensive appeal process.

2. Finding Status: **Remediated**

**Explanation:**

From a sample review of worker personal files, assessors found that all disciplinary actions, including verbal warnings are now registered.

**3. Finding Status:** Remediated**Explanation:**

Training materials and workers & management interviews demonstrated that the factory is providing ongoing training to production workers and supervisors on Workplace Conduct & Discipline.

**FINDING NO.8****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, resource allocation. [H/A.1]

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

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. In Progress</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 05/30/14</li> <li>2. 05/30/14</li> <li>3. 06/27/14</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. Develop a sexual harassment prevention program that is consistent with local law.</li> <li>2. Allocate resources for implementing the sexual harassment prevention program and designate staff to be in charge of enforcement.</li> <li>3. Train all workers and those in supervisory and managerial positions on the applicable legal provisions on sexual harassment, including periodic briefings as mandated by local law.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 10/29/15: We have made arrangements with the Seguro Social, for the Sexual Harassment prevention program.</li> <li>2. 10/29/15: We made arrangements with the Seguro Social, for the sexual harassment prevention program, and the person in charge of overseeing the program is the Health and Safety Manager.</li> <li>3. 10/29/15: We have have made arrangements with the Seguro Social; for them to provide us with the trainings.</li> </ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"> <li>1. 03/15/14</li> <li>2. 03/15/14</li> </ol>

**Verification Result:****1. Finding Status:** Remediated**Explanation:**

Based on records reviewed and interviews with workers & management, assessors noticed that the factory is implementing a comprehensive program on sexual harassment prevention, as legally required. This program includes communication and training, preventive protocol, and resource allocation.

**FINDING NO.9****GRIEVANCE SYSTEM****FINDING TYPE:** Sustainable Improvement Required**Finding Explanation**

1. Suggestion boxes for male workers are missing in Plant 1. There are no additional confidential grievance channels for these workers. [ER.25.2]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.25.2)

**Root Causes**

1. Some of the bathrooms are currently under construction, which is why the suggestion box has been temporary removed.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	01/06/14
<b>Progress Update:</b>	<u>Original Action Plan</u> Install a suggestion box in an alternative place while the bathrooms are under construction.  <u>Progress Updates</u> 04/07/14: The suggestion box has been installed
<b>Completion Date:</b>	01/06/14

**Verification Result:****1. Finding Status:** Remediated**Explanation:**

Male restrooms in Plant 1 are now equipped with suggestion boxes.

**FINDING NO.10****ENVIRONMENTAL PROTECTION****FINDING TYPE:** Sustainable Improvement Required

### Finding Explanation

1. Since 2005, the factory has not renewed the Health and Environmental Permits for the cutting plant (Plant 2), as legally required. [HSE.1, HSE.4]

### Local Law or Code Requirement

Salvadoran Health Code, Articles 101 and 109c; Environment Law, Article 19; FLA Workplace Code (Health, Safety and Environmental Benchmarks HSE.1 and HSE.4)

### Root Causes

1. The Ministry of Environmental and Natural Resources has raised several concerns about the factory's plan for managing environmental issues. As a result, the permit is pending.
2. The Environmental Permit is a pre-requisite for obtaining the Health Permit from the relevant governmental institution.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. Completed</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 06/27/14</li><li>2. 09/19/14</li><li>3. 12/12/14</li></ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"><li>1. Establish and implement a system to ensure that all legal requirements and codes of conduct updates and/or changes are timely addressed by designated staff.</li><li>2. Factory management is to address the observations raised by the Ministry of Environmental and Natural Resources in order to ensure the completion of the process for obtaining the relevant Environmental Permit.</li><li>3. Once the Environmental Permit has been obtained, factory management is to immediately start the process for obtaining the Health Permit.</li></ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"><li>1. 06/27/17: There is a system in place to ensure that all legal requirements and codes of conduct updates and/or changes are timely addressed by designated staff.  10/29/15: We are working on an environmental system.</li><li>2. 06/27/17: Brooklyn has addressed the observations raised by the Ministry of Environmental and Natural Resources and has completed the process for obtaining the relevant Environmental Permit  10/29/15: Actually waiting for a visit from the Ministry of Environmental and Natural Resources.</li><li>3. 06/27/17: Health Permit has been obtained</li></ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"><li>1. 02/28/14</li><li>2. 12/18/14</li><li>3. 07/09/15</li></ol>

### Verification Result:

1. Finding Status: **Remediated**

#### **Explanation:**

Based on records review, assessor corroborated that on December 18, 2014 the Ministry of Environmental Affairs issued the Environmental Permit for the Cutting Plant (also known as Plant 2). Furthermore, on July 09 2015, the Ministry of Health issued the relevant Health Permit for this same plant.

## FINDING NO.11

### HEALTH & SAFETY

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. At the time of the assessment, the factory had only 37 toilets for women in production areas of Plant 1. According to the current size of the workforce, factory needs to install 13 additional toilets for women. Additional toilets are currently under construction. [HSE.1, HSE.20]

#### Local Law or Code Requirement

Salvadoran General Regulations on Risks Prevention in the Workplace, Article 21.3; FLA Workplace Code (Health, Safety and Environmental Benchmarks HSE.1 and HSE.20)

#### Root Causes

1. As occupational health and safety regulations are relatively new (April 2012), factory management has not yet aligned its requirements accordingly.
2. Management explained that it took time to get authorization from the owner of the building to install additional toilets.

<b>Action Plan Status:</b>	1. Completed 2. Completed
<b>Planned Completion:</b>	1. 01/06/14 2. 05/02/14
<b>Progress Update:</b>	<u>Original Action Plan</u> 1. Factory management is to complete the construction of additional toilets, as required by law. 2. Establish and implement a system to ensure that all legally required facilities are provided in good condition and with the capacity to cover all employees. Staff should be designated to enforce this system.  <u>Progress Updates</u> 1. 04/07/14: Construction of additional toilets has been completed 2. 10/29/15: There is a system in place to calculate how many bathrooms are needed in order to cover all employees.
<b>Completion Date:</b>	1. 01/06/14 2. 01/06/14

#### Verification Result:

1. Finding Status: Remediated

#### **Explanation:**

There are 37 toilets available for women at production floor in Plant 1. This number meets the legal requirements, based on the current workforce size. During the last quarter of 2016, the factory went through a retrenchment, and the number of workers at this Plant were significantly reduced. As a result, the same number of toilets that were available during the past 2012 SCI assessment are now sufficient for the number of current female workers.

## FINDING NO.12

# HEALTH & SAFETY

## FINDING TYPE: Immediate Action Required

### Finding Explanation

1. One main aisle in Plant 1 (section D) was partially blocked by a first aid kit. This blockage also reduced the width of the aisle below the legally required limit (1 meter) and posed a risk of injury. [HSE.5]
2. An aisle near emergency exit #4 (in the sample department) was obstructed by boxes. [HSE.5]
3. There is no assembly area for workers in the warehouse. [HSE.5]
4. Boxes containing finished goods at the shipping warehouse were piled in an unsafe manner; they were piled so high they were almost touching the ceiling lamps. [HSE.5]

### Local Law or Code Requirement

Salvadoran General Regulations on Risks Prevention in the Workplace, Article 7.1; FLA Workplace Code (Health, Safety and Environmental Benchmarks HSE.1 and HSE.5.1)

### Root Causes

1. By the time the first aid kit was installed, there were no legal regulations about the width of aisles.
2. Factory management and the Health & Safety Committee did not consider the risk of injury that the first aid kit might pose when it was installed.
3. Chief and supervisors in the shipping warehouse do not strictly monitor the implementation of safe storage/shipment practice.
4. The Health & Safety Committee does not effectively monitor the safety evacuation requirements in the Cutting Plant.
5. Factory management does not apply disciplinary actions to those workers who fail to follow safe storage and shipment practices that have already been communicated.

### Recommendations for Immediate Action

1. Relocate the first aid kit in Plant 1 (Section D) and put it in a place where it does not pose a risk of injury;
2. Factory management is to keep all aisles and passageways unobstructed at all time;
3. Assign an assembly area for workers at the warehouse in Cutting Plant and include it in the fire and evacuation drills;
4. Factory management is to ensure that secure loading/shipment practices are carried out at the warehouse.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. Completed</li><li>4. Completed</li><li>5. In Progress</li><li>6. Completed</li><li>7. Completed</li><li>8. Planned</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 01/06/14</li><li>2. 01/06/14</li><li>3. 01/06/14</li><li>4. 03/07/14</li><li>5. 03/07/14</li><li>6. 03/07/14</li><li>7. 03/07/14</li><li>8. 03/07/14</li></ol>
<b>Progress Update:</b>	<u>Original Action Plan</u> <ol style="list-style-type: none"><li>1. Relocate the first aid kit in Plant 1 (Section D) and put it in a place where it does not pose a risk of injury.</li><li>2. Factory management is to keep all aisles and passageways unobstructed at all time.</li><li>3. Assign an assembly area for workers at the warehouse in the Cutting Plant and include it in fire and evacuation drills.</li></ol>

	<ol style="list-style-type: none"> <li>4. Factory management is to ensure that secure loading/shipment practices are carried out at the warehouse.</li> <li>5. Factory management is to reinforce training for all workers, supervisors, and area chiefs in the different warehouses on the safe storage/shipment practices.</li> <li>6. Factory management is to enforce applicable disciplinary actions for those workers who perform unsafe loading/shipping practices.</li> <li>7. H&amp;S Manager and H&amp;S Committee are to conduct regular monitoring of the Cutting Plant to ensure safe evacuation requirements are implemented.</li> <li>8. Area chiefs and supervisors in the different warehouses shall be assigned responsibility for monitoring the implementation of safe storage/shipment practices.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 04/07/14: The first aid kit in Plant 1 has been put in a place where it does not pose a risk of injury</li> <li>2. 04/07/14: The aisle has been cleared</li> <li>3. 04/07/14: An assembly area has been assigned and included in the fire and evacuation drills</li> <li>4. 10/29/15: There is a policy and procedures incorporated in a manual to ensure that secure loading/shipment practices are carried out at the warehouse 04/07/14: Health and Safety Coordinator is developing policy, procedure to ensure that secure loading/shipment practices are carried out at the warehouse</li> <li>5. 10/29/15: There is a training planned by September</li> <li>6. 10/29/15: There is a disciplinary system for those workers who perform unsafe loading/shipment practices</li> <li>7. 10/29/15: Safety evacuation requirements implemented was tested during evacuation drill.</li> <li>8. N/A</li> </ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"> <li>1. 01/06/14</li> <li>2. 01/06/14</li> <li>3. 01/06/14</li> <li>4. 04/15/14</li> <li>5. N/A</li> <li>6. 04/15/14</li> <li>7. 03/27/14</li> <li>8. N/A</li> </ol>

**Verification Result:**

1. Finding Status: Remediated

**Explanation:**

All aisles – main and secondary – are unblocked and meet the legally required width.

2. Finding Status: Remediated

**Explanation:**

As previously mentioned, all aisles were unobstructed during the observation tour.

3. Finding Status: Remediated

**Explanation:**

There is one designated assembly area for workers at the warehouse.

4. Finding Status: Remediated

**Explanation:**

Boxes containing finished goods in the shipping warehouse are safely piled, and stored at a reasonable distance from ceiling lamps.

## FINDING NO.13

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. A worker was performing stain-removal tasks without using the relevant personal protective equipment (PPE) (gloves) required by the Material Safety Data Sheet (MSDS). [HSE.1]

##### Local Law or Code Requirement

Salvadoran General Regulations on Risks Prevention in the Workplace, Article 90.4; FLA Workplace Code (Health, Safety & Environmental Benchmark HSE.1)

##### Root Causes

1. Stain-removal workers do not use the gloves because the gloves get discolored by the chemicals resulting in production pieces getting stained;
2. Factory management has not sought alternative gloves for this type of operation.

##### Recommendations for Immediate Action

1. Factory management is to look for alternative PPE to be used at the stain-removal areas; it is to be compatible with the type of operation.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Completed</li> <li>4. Completed</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 03/07/14</li> <li>2. 04/07/14</li> <li>3. 04/04/14</li> <li>4. 01/06/14</li> </ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. H&amp;S Manager shall work in coordination with Purchasing Department to find a new supplier which provides proper PPE for stain-removal workers</li> <li>2. Reinforce training on proper PPE usage for workers at stain removal.</li> <li>3. H&amp;S Manager and H&amp;S Committee are to oversee the proper usage of PPE at stain removal stations.</li> <li>4. Factory management is to look for alternative PPE to be used at the stain-removal areas; it is to be compatible with the type of operation.</li> </ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>1. 04/07/14: General Safety is the supplier</li> <li>2. 10/29/15: We had trained on proper PPE usage for workers at stain removal, and also had a training on Chemical handling given by RC Quimica S.A. de C.V.</li> <li>3. 10/29/15: Our H&amp;S Manager oversees the proper usage of PPE at stain removal stations, by check list audits.</li> <li>4. 04/07/14: Alternative PPE is being used at the stain-removal areas</li> </ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"> <li>1. 01/06/14</li> <li>2. 03/04/14</li> <li>3. 03/24/14</li> <li>4. 01/06/14</li> </ol>

## **Verification Result:**

### **1. Finding Status: Not Remediated**

#### **Explanation:**

Two workers in the stain removal stations of Plant 1 handle chemicals without wearing the relevant personal protective equipment (PPE), gloves and glasses, as per the Material Safety Data Sheets (MSDS) requirement. [HSE.1]

#### **Root Causes:**

The factory does not effectively monitor workers handling chemicals for use of the relevant PPE.

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

Salvadoran General Regulations on Risk Prevention at the Workplace Articles 92.3 and 229; FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1) Recommendation for Immediate Action: Ensure that workers in the stain removal stations wear the relevant PPE at all times.

### **Recommendations for Immediate Action**

1. Factory management is to look for alternative PPE to be used at the stain-removal areas; it is to be compatible with the type of operation.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	09/04/17
<b>Progress Update:</b>	Weekly inspections will take place at each stain removal stations, in order to verify if the staff uses their respective PPE; training and disciplinary system will be reinforced.
<b>Completion Date:</b>	

## **FINDING NO.14**

## **HEALTH & SAFETY**

### **FINDING TYPE: Immediate Action Required**

#### **Finding Explanation**

1. Evacuation routes do not indicate the location of emergency exits. [HSE.5]
2. Broken window glass in the food preparation area was fixed with tape. [HSE.1]
3. The stairs of one emergency exit had holes, creating a risk of slipping and falling. [HSE.5]
4. The gas tank next to the canteen is not isolated or protected from the elements. There are no warning signs posted around the gas tank. [HSE.9]
5. When the main gas tank is empty 25-pound gas cylinders are connected to it in an unsafe manner. These cylinders are not chained down and are left exposed to the elements. [HSE.9]

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

Salvadoran General Regulations on Risk Prevention at the Workplace Articles 6.1 and 208.d; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5.1, and HSE.9)

#### **Root Causes**

1. Factory has delegated the canteen's personnel, which is employed by an external food service provider, to oversee the implementation of health and safety practices in the canteen, without ensuring compliance with the local regulations on health and safety.
2. Health & Safety Committee does not consider the canteen as part of the scope of regular inspections they perform.

### **Recommendations for Immediate Action**

1. Factory management is to mark evacuation routes in the canteen area;
2. Replace the broken windows in the food preparation area and ensure that the new ones are maintained in good condition;
3. Fix the holes in the stairs next to the canteen;
4. Isolate the gas tank and restrict access to only authorized personnel;
5. Ensure the proper installation and connection of 25-pound gas cylinders for the gas tank used in the canteen.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"><li>1. Completed</li><li>2. Completed</li><li>3. Completed</li><li>4. Completed</li><li>5. Completed</li><li>6. Completed</li></ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"><li>1. 03/07/14</li><li>2. 01/06/14</li><li>3. 01/06/14</li><li>4. 01/06/14</li><li>5. 03/04/14</li><li>6. 03/04/14</li></ol>
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"><li>1. Heath &amp; Safety Manager and Health &amp; Safety Committee are to conduct periodic oversight of the proper implementation of safety requirements in the canteen</li><li>2. Factory management is to mark evacuation routes in the canteen area.</li><li>3. Ensure the proper installation and connection of 25-pound gas cylinders for the gas tank used in the canteen.</li><li>4. The window glass is to be removed completely.</li><li>5. Fix the holes in the stairs next to the canteen.</li><li>6. Isolate the gas tank and restrict access to only authorized personnel</li></ol> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"><li>1. 06/27/17: Periodic oversight has been performed</li><li>2. 04/07/14: Evacuation routes have been marked in the canteen area</li><li>3. 04/07/14: The 25-pound gas cylinders are not longer being used. Instructions have been given to the canteen's personnel that it is not allowed for them to use those kind of gas cylinder.</li><li>4. 04/07/14: Window glass was removed completely.</li><li>5. 10/29/15: The holes in the stairs next to the canteen has been fixed 04/07/14: It has already been budgeted and approved.</li><li>6. 10/29/15: The access to the gas tank has been restricted to only authorized personnel</li></ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"><li>1. 06/10/14</li><li>2. 01/06/14</li><li>3. 01/06/14</li><li>4. 01/06/14</li><li>5. 02/27/14</li><li>6. 02/27/14</li></ol>

### **Verification Result:**

**1. Finding Status:** Remediated

**Explanation:**

The factory has painted evacuation routes on the floor to indicate the location of emergency exits.

**2. Finding Status:** Remediated

**Explanation:**

All windows have been safely fixed and/or replaced.

**3. Finding Status:** Remediated

**Explanation:**

All stairs leading to the emergency exits or evacuation routes are in good condition.

**4. Finding Status:** Remediated

**Explanation:**

The gas tank used at the canteen is now isolated and protected from the elements (sun and rain). The factory also posted warning signs around the gas tank.

**5. Finding Status:** Remediated

**Explanation:**

The 25-pound gas cylinder is not used anymore in the canteen, which was corroborated by assessors during the tour and interviews with canteen staff.

**FINDING NO.15**

**INDUSTRIAL RELATIONS**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. The Worker Integration component is missing throughout all Employment Functions, indicating that the factory has not established procedures to receive workers' input/feedback on the creation, implementation and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes. [ER.1, ER.25]

**Local Law or Code Requirement**

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

**Root Causes**

1. Management lacks awareness of FLA Workplace Code and Benchmarks.
2. Management has not seen the need to formalize a worker integration process.

<b>Action Plan Status:</b>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Completed</li> </ol>
<b>Planned Completion:</b>	<ol style="list-style-type: none"> <li>1. 05/02/14</li> <li>2. 05/30/14</li> <li>3. 05/30/14</li> </ol>
<b>Progress Update:</b>	<u>Original Action Plan</u> <ol style="list-style-type: none"> <li>1. Factory management is to establish a procedure that enables workers to consult with and provide input to management.</li> <li>2. Management is to train all workers, supervisors, and those in managerial positions on the newly created worker integration procedures</li> </ol>

	<p>3. Designate staff from the HR Department and/or a Compliance Manager responsible for the implementation of the worker integration procedure.</p> <p><u>Progress Updates</u></p> <ol style="list-style-type: none"> <li>10/29/15: Procedure has been developed and established to enable workers to consult with and provide input to management.</li> <li>10/29/15: Worker integration is implemented and all workers are trained.</li> <li>10/29/15: The Compliance Manager is responsible for the implementation of the worker integration procedure</li> </ol>
<b>Completion Date:</b>	<ol style="list-style-type: none"> <li>06/02/14</li> <li>06/02/14</li> <li>03/01/14</li> </ol>

**Verification Result:**

1. Finding Status: **Remediated**

**Explanation:**

From worker interviews and records reviewed, assessors corroborated that workers have been incorporated in the factory's decision-making process through workers' participation on Employee Councils, a grievance system that involves meetings between supervisors and workers to communicate different issues and to provide workers the opportunity to express opinions and suggestions. During previous Employee Councils from 2014, workers have been given the chance to provide feedback on the factory's policies and procedures either.

**(NEW) FINDING NO.16**

**RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

- Orientation training to new workers does not include Personnel Development. [ER.15]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.15.1)

**Root Causes**

- Factory has not seen the need to included Personnel Development during the orientation training, as workers have received sporadic communication on this Employment Function.

**Recommendation for Sustainable Improvement**

- Revise the current training material used during the orientation training to new workers to include Personnel Development policies and procedures.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	September 2017
<b>Progress Update:</b>	Orientation training to new workers will include Personnel Development - the current training material used during the orientation training for new workers now include Personnel Development policies and procedures
<b>Completion Date:</b>	

## (NEW) FINDING NO.17

### WORKPLACE CONDUCT & DISCIPLINE

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. From worker interviews, assessors found that some sewing operators bring their own work tools to work, specifically thread trimmers and tweezers, when these tools are lost or broken. Local law requires that all work tools are provided by the employer at no cost. The factory delivers work tools to all new workers, and according to the current policy on work tools delivery, all tools would be replaced or repaired upon request. Some interviewed workers were knowledgeable of this policy and had even replaced their work tools with no cost; however, around 30% of interviewed workers were not fully aware of this policy and they had opted to buy the tools in cases of damaged or lost tools. [ER.1, ER.16]

#### Local Law or Code Requirement

Salvadoran Labor Code, Article 29 section 3; FLA Workplace Code (Employment Relationship Benchmarks ER.1.2 and ER.16)

#### Root Causes

1. Factory has not sufficiently informed or communicated to all workers about the policy on work tools delivery, which allows them to request work tools replacement or repairs, when needed.

#### Recommendations for Sustainable Improvement

1. Regularly communicate to all workers the policy on work tools, with a focus on workers' ability to request replacements or repairs of work tools when needed.
2. Regularly monitor the implementation of the policy on work tools delivery by identifying and addressing potential instances of workers buying their own tools.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	November 2017
<b>Progress Update:</b>	Work Tools Policy will be communicated regularly to workforce, which includes the ability for workers to request replacement/repair against delivery of damaged tool. Policy implementation will be monitored, in order to address potential instances of workers buying their own tools.
<b>Completion Date:</b>	

## (NEW) FINDING NO.18

### ENVIRONMENTAL PROTECTION

**FINDING TYPE:** Immediate Action Required

#### Finding Explanation

1. In Plant 2, a set of fluorescent lamps, which is considered hazardous waste, is stored in the same storage area used for solid waste without segregation. Also, another set of fluorescent lamps is stored outdoors with no protection from rain and sun. [HSE.1. HSE.9]
2. The factory has not posted warning signs in the area used for storing hazardous waste at Plant 2, as legally required. [HSE.1]

### Local Law or Code Requirement

Salvadoran General Regulations on Risk Prevention at the Workplace Article 114.1; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.9.1)

### Root Causes

1. The factory has failed to clearly identify the area designated for storing hazardous waste at Plant 2; as a result, workers get confused on where is the proper area for storing hazardous waste, segregated from solid waste.

### Recommendations for Immediate Action

1. Post warning signs in the designated area for storing hazardous waste.
2. Store all hazardous waste in the designated area and ensure all hazardous waste is segregated from regular solid waste.

### Recommendations for Sustainable Improvement

1. Reinforce training to staff responsible for waste disposal on segregation techniques to keep solid waste from being mixed with hazardous waste.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	09/18/17
<b>Progress Update:</b>	<ol style="list-style-type: none"><li>1. Warning signs will be post in the designated area for storing hazardous waste</li><li>2. Hazardous waste will be stored in the designated area that will be monitored to ensure all hazardous waste is segregated from regular solid waste.</li><li>3. Training to staff responsible for waste disposal will be reinforced on segregation techniques to keep solid waste from being mixed with hazardous waste.</li></ol>
<b>Completion Date:</b>	

## (NEW) FINDING NO.19

## HEALTH & SAFETY

**FINDING TYPE:** Immediate Action Required

### Finding Explanation

1. In the Laser Cutting Room of Plant 2, the Material Safety Data Sheet (MSDS) of one adhesive chemical is not available. [HSE.10]
2. The Laser Cutting Room of Plant 2 is missing an eyewash station. [HSE.6, HSE.9]
3. The MSDS of chemicals used by one mechanic at the Sampling Department of Plant 2 are not available at this workstation. [HSE.1 HSE.10]
4. The shower installed in the chemical storage room of Plant 2 is blocked with a box. [HSE.1, HSE.6]

### Local Law or Code Requirement

Salvadoran General Regulations on Risk Prevention at the Workplace Articles 227 and 241; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.6.1 and HSE.10.1)

### Root Causes

1. Due to staff changes on H&S team, the factory has not conducted recent internal monitoring at the facilities to verify that the MSDSs of chemicals in use are available.
2. The box blocking the shower in the chemical storage room had been placed by an external service provider; the factory failed to ensure that all visitors follow applicable health and safety rules.

### Recommendations for Immediate Action

1. Make MSDSs of all chemicals in use in the production areas available for workers to consult at all times (Note: the factory implemented this immediate action during the onsite assessment).

2. Provide an eyewash station for workers handling chemicals in the Laser Cutting Room.
3. Ensure that the shower in the chemical storage room of Plant 2 is free from obstruction at all times.
4. Communicate to the external service providers the factory's health and safety rules, specifically those related to keeping showers unblocked in the chemical storage room of Plant 2 (Note: the factory implemented this immediate action during the onsite assessment).

**Recommendation for Sustainable Improvement**

1. Reinforce internal health and safety monitoring at Plant 2 to ensure that all safety requirements on chemical management are met. Monitoring should be conducted regularly and documented. It should also include external service providers.

<b>Action Plan Status:</b>	Closed
<b>Planned Completion:</b>	09/26/17
<b>Progress Update:</b>	<ol style="list-style-type: none"> <li>1. MSDSs of all chemicals in use in the production will be available for workers to consult at all times.</li> <li>2. An eyewash station was provided at the Embroidery Area (Taking as reference the AINSI / ISEA 2014 standard on eyewash and emergency showers, indicates that an average person, without disabilities, covers about 55 feet in 10 seconds to reach the nearest eyewash and also establishes that if use extremely corrosive product should be installed at the same time an eyewash; therefore it was established that the closest eyewash of the Laser plant is the one located in the Embroidery area; which is at a distance of less than 55 feet (16 meters approx.) and also the chemical used in Laser is not a highly corrosive product. )</li> <li>3. It will be ensure that the shower in the chemical storage room of Plant 2 is free from obstruction at all times.</li> <li>4. External service providers will be informed of the factory's health and safety rules, specifically those related to keeping showers unblocked in the chemical storage room of Plant 2.</li> <li>5. Internal health and safety monitoring at Plant 2 will be reinforced regularly to ensure that all safety requirements on chemical management are met. Monitoring should be conducted regularly and documented. It should also include external service providers.</li> </ol>
<b>Completion Date:</b>	

**(NEW) FINDING NO.20**

**HEALTH & SAFETY**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. Most machines in use at Plant 1 and Plant 2 do not have safety instructions. This issue includes the heat transfer, printing, and laser cutting machines. [HSE.1 and HSE.14.3]
2. In the canteen of Plant 2, that lamps above the food preparation area do not have protection to prevent potential broken glass from falling onto food. [HSE.19]
3. At this same area, assessors observed that cloth, shoes, and personal belongings of the canteen staff are stored right next to the vegetables used in the food, which is unhygienic. Note: this issue was addressed during the onsite assessment. [HSE.19]
4. There are no warning signs to alert workers of the uneven floors of the restrooms and of the warehouse mezzanine in Plant 1. [HSE.1]

## **Local Law or Code Requirement**

Salvadoran General Regulations on Risk Prevention at the Workplace Articles 63 and 112; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.14.3 and HSE.19)

## **Root Causes**

1. Previous external audits conducted at the factory had not reported the lack of machinery safety instructions and lack of warning signs for uneven floors. Management was unaware of these legal and FLA Benchmark requirements.
2. Due to staff changes on H&S team, the factory has not conducted recent internal monitoring at the facilities to verify that all health and safety requirements are met.

## **Recommendations for Immediate Action**

1. Provide safety instructions for all machinery used (Note: the factory implemented this immediate action during the onsite assessment).
2. Install protections on the lamps in the food preparation area of Plant 2 to prevent potential broken glass from falling on food.
3. Ensure that staff canteen uses a designated area for storing shoes, cloth, and personal belongings at all times.
4. Mark uneven floors in Plant 1 with warning signs to advise workers (Note: the factory implemented this immediate action during the onsite assessment).

## **Recommendations for Sustainable Improvement**

1. Reinforce internal health and safety monitoring at the factory to ensure that all safety requirements are met for machinery, floor conditions, and sanitary conditions in the food preparation area. Monitoring should be conducted regularly and documented.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	07/26/17
<b>Progress Update:</b>	<ol style="list-style-type: none"><li>1. Safety instructions for all machinery used will be installed</li><li>2. Lamps in the food preparation area of Plant 2 will be changed to LED, which, being plastic, does not break or generate particles. In the cafeteria inspections, which are carried out weekly, this point is being verified</li><li>3. On weekly inspections is being verified that staff canteen uses the designated area for storing shoes, cloth, and personal belongings.</li><li>4. Uneven floors in Plant 1 will be marked with warning signs to advise workers</li><li>5. Internal health and safety monitoring and documentation at the factory will be reinforced to ensure that all safety requirements are met for machinery, floor conditions, and sanitary conditions in the food preparation area.</li></ol>
<b>Completion Date:</b>	

## **(NEW) FINDING NO.21**

## **HEALTH & SAFETY**

**FINDING TYPE:** Immediate Action Required

### **Finding Explanation**

1. In Plant 1, two fire extinguishers are placed below first aid kits, which hinders workers' ability to easily access them in case of emergency. [HSE.1 and HSE.6]
2. In the warehouse mezzanine, signs indicating the location of fire extinguishers are not posted in an area visible to workers, as they are not posted at an adequate height, and boxes of finished goods obstructed the visibility of signs. [HSE.1 and HSE.6]
3. There are three assembly points designated for workers to evacuate at Plant 2 (also known as Cutting Plant); however, one of the assembly areas is not marked. [HSE.1 and HSE.5]

## Local Law or Code Requirement

Salvadoran General Regulations on Risk Prevention at the Workplace Articles 117 and 124; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5.1 and HSE.6.1)

## Root Causes

1. Due to staff changes on the H&S team, the factory has not conducted recent internal monitoring at the facilities to verify that all fire safety and emergency requirements are met.
- 2.

## Recommendations for Immediate Actions

1. Place the two fire extinguishers located below first aid kits in a different location where they can easily be used in an emergency (Note: the factory implemented this immediate action during the onsite assessment).
2. Relocate signs indicating the locations of fire extinguishers in the warehouse mezzanine at a height that is visible to workers (Note: the factory implemented this immediate action during the onsite assessment).
3. Mark the assembly point in Plant 2 that is missing signs (Note: the factory implemented this immediate action during the onsite assessment).

## Recommendations for Sustainable Improvement

1. Reinforce internal health and safety monitoring at the factory to ensure that all safety requirements on fire safety and emergency procedures are met. Monitoring should be conducted regularly and documented.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	7/27/17
<b>Progress Update:</b>	<ol style="list-style-type: none"><li>1. Fire extinguisher will be located at a location where they can easily be used in an emergency</li><li>2. Signs indicating the locations of fire extinguishers in the warehouse mezzanine will be located at a height that is visible to workers</li><li>3. The assembly point in Plant 2 that is missing signs will be marked</li><li>4. Internal health and safety monitoring will be reinforced on frequency and documented to ensure that all safety requirements on fire safety and emergency procedures are met.</li></ol>
<b>Completion Date:</b>	

## **(NEW) FINDING NO.22**

## **HEALTH & SAFETY**

**FINDING TYPE:** Sustainable Improvement Required

### Finding Explanation

1. During interviews with regular workers and union leaders, assessors noted high heat levels in Plant 1 is workers' main concern regarding working conditions. Assessors noted that thermometers installed by the factory at different locations of Plant 1 showed temperature levels around 32-33°Celsius, which is above the legally required 31°Celsius TGBH Index limit – the legally required temperature measurement in El Salvador. These temperatures were noted between 13:30 and 14:00. The last temperature assessment commissioned by the factory was November 2015, which measured the average TGBH Index at Plant 1 at 26.1°Celsius, in compliance with local law. However, during that assessment, the factory was recommended to conduct other temperature assessments during dry and rainy seasons, where temperatures might significantly impact temperatures in the factory. November is not a dry or rainy season in El Salvador. As a result, the factory has not fully assessed whether the temperature in Plant 1 are reasonable for workers or within the legally required limits during hot and rainy seasons. [HSE.1]

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

Salvadoran General Regulations on Risk Prevention at the Workplace Articles 138 and 142; FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1)

### **Root Causes**

1. As working conditions have not significantly changed at Plant 1 since 2015, the factory considered the last temperature assessment conducted in November that year to be sufficient to demonstrate compliance regarding temperature.
2. As the Salvadoran Government – through the Ministry of Labor – has not assessed temperature at the factory or required specific measures around atmospheric conditions, the factory management considers themselves fully in compliance.

### **Recommendations for Sustainable Improvement**

1. Commission at least one more temperature assessment at Plant 1, during the hot season in El Salvador (March-May) and take appropriate measures based on the results of the assessment.

<b>Action Plan Status:</b>	Open
<b>Planned Completion:</b>	May 2018
<b>Progress Update:</b>	<ol style="list-style-type: none"><li>1. In mid-October a thermal stress study was carried out to obtain the TGBH value of plant 1, this study showed that the TGBH value is 26.7 ° C; which is within the limits established by the General Regulation of the Prevention of Risks in Workplaces, article 142.</li><li>2. Next year one more temperature assessment will be commissioned during hot season in El Salvador.</li></ol>
<b>Completion Date:</b>	