



FAIR LABOR
ASSOCIATION[®]

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Russell Brands/Fruit of the Loom

COUNTRY: El Salvador

ASSESSMENT DATE: 09/26/18

ASSESSOR: Francisco Chicas

PRODUCTS: Apparel

NUMBER OF WORKERS: 2162

Summary of Code Violations

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

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

Findings and Action Plans

FINDING NO.1

NOTABLE FEATURE

FINDING TYPE: Compensation

Finding Explanation

1. The factory holds one health fair per year for workers and their children. Medical consultations include pediatric, general medicine, physiological, gynecological, dental, and ophthalmologic services. The health fair includes pap smears for women and eyeglass donations for workers' children. During the 2017 health fair, personnel conducted 241 medical consultations, and all services were free for workers.
2. The factory has a training center (FOTLEC), with four employees to provide training activities for workers in all Fruit of the Loom factories in El Salvador. The training center offers classes on computer skills (including Excel training), conversational intelligence, new sewing machines (for mechanics only), labor happiness, English classes, and a training program for women titled "Key of Success for Women of Today" ("La Clave del Éxito para la Mujer de Hoy"), including self-esteem.
3. The factory promotes breast milk donation to support new mothers, through a national public hospital.
4. Once a year, the factory donates school supplies for workers with children in school, including university. The packages include pencils, pens, pencil sharpeners, notebooks, and a school bag.
5. For workers who opt to buy food at the factory canteen, the factory subsidizes 50% of the total cost of lunch.

Local Law or Code Requirement

N/A

Root Causes

N/A

Recommendations for Immediate Action

N/A

FLA's Recommendations for Sustainable Improvements

N/A

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

One chemical container with diesel and one empty container of chemical used for stain-removal were in the solid waste storage room, with no segregation. [HSE.9.1]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment HSE.9.1)

Root Causes

Ineffective training for workers in the solid waste collection area, on segregation of different types of waste.

Recommendations for Immediate Action

Remove the container of diesel and the empty chemical container found in the solid waste collection area. Assessors corroborated that the factory addressed this issue during the onsite assessment.

FLA's Recommendations for Sustainable Improvements

Retrain workers in the solid waste collection area, on the importance of separating different types of waste.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory will remove the diesel and empty chemical containers from the solid waste collection area. The Safety Department will provide annual matrix training to include the following safety educational programs to retrain workers on the health and safety regulations: hazard communication, storage and handling of liquid petroleum gases. Also the safety manager will make a monthly audit to ensure all waste collections is separated and maintained properly. August 2019

Company Action Plan Update

The factory has removed the diesel and empty chemical containers from the solid waste collection area. The Safety Department will provide annual matrix training to include the following safety educational programs to retrain workers on the health and safety regulations: hazard communication, storage and handling of liquid petroleum gases. Also the safety manager will make a monthly audit to ensure all waste collections is separated and maintained properly

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory signs and renews employment contracts annually; however, the employment relationship with all workers is permanent, not for a specific term. [ER.2.1, ER.9]

2. The factory does not register new worker employment contracts with the Ministry of Labor within 8 days of being signed, as legally required. Instead, the factory registers contracts on an annual basis. [ER.1, ER.2]

Local Law or Code Requirement

Labor Code, Articles 18 and 25; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2.1, ER.9)

Root Causes

1. As factory pays workers their severance on an annual basis, factory lawyers advised management to terminate employment contracts and renew them every time severance is paid.

2. It is a common practice in El Salvador that factories renew employment contracts whenever they pay workers in advance severance to avoid workers claim payments that were already made to them.

FLA's Recommendations for Sustainable Improvements

1. Stop the practice of renewing employment contracts on an annual basis; instead, management and workers should sign one permanent employment contract.
2. Ensure that all employment contracts are registered with the Ministry of Labor, within eight days after they were signed.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will implement a new process for employment contracts. The factory will only sign one contract with employees that will be permanent and not renewed contracts on an annual basis starting January 2019. 2. The factory will implement a process to register all employees' contracts with the Ministry of Labor within eight days of signing the contract starting January 2019.

Company Action Plan Update

The factory has implemented a new process for employment contracts. The factory will only sign one contract with employees that will be permanent and not renewed contracts on an annual basis starting January 2019.

The factory has implemented a process to register all employees' contracts with the Ministry of Labor within eight days of signing the contract starting January 2019

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory's disciplinary procedures do not include an appeal process. [ER.27.4]
2. Communication and training on sexual harassment has not been effective, as approximately 70% of interviewed workers shared that male workers could engage in behaviors such as lewd glances, unwanted flattery, and whistling toward female workers in the workplace, and interviewees considered such behaviors as "normal" and "unavoidable". Despite no specific instances of sexual harassment were found by assessors, and despite the factory management has provided communication and training to workers on its sexual harassment policy, most of workers still consider some expressions of sexual harassment (glances, flattery and whistling) as "normal" and "unavoidable". [H/A.8.1, H/A.8.2]

Local Law or Code Requirement

General Law on Risks Prevention at the Workplace, Article 8 section 10; FLA Workplace Code (Harassment or Abuse Benchmarks H/A.8.1 and H/A.8.2; Employment Relationship Benchmark ER.27.4)

Root Causes

1. The factory's disciplinary policies and procedures are developed at the corporate level and they are not aligned with the disciplinary procedures of the FLA Benchmarks.
2. Culturally, some forms of sexual harassment (such as flattery and whistling) are considered acceptable when they come from men toward women. Training provided by management has not addressed the cultural mindset workers have around sexual harassment.

FLA's Recommendations for Sustainable Improvements

1. Update the current disciplinary procedures, at the corporate level, to include an appeal process. Communicate the revised procedure to all facilities operated by the FLA affiliated Company. Ensure that workers are trained on the revised disciplinary procedures.
2. Review and update training and communication for workers on sexual harassment to include all different forms of sexual harassment, and to change social norms. Measure the effectiveness of training to change social norms around sexual harassment. Reinforce the zero

tolerance policy regarding all forms of sexual harassment, including those considered socially "acceptable". Apply the disciplinary system in those proved cases of sexual harassment.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will update the disciplinary procedures to include an appeal process by May. The factory will communicate the revised procedures to all supervisors and workers and provide training on the revised procedure starting in May to be completed by June 30, 2019

2. The factory will update training and communication for workers on sexual harassment to include all forms of sexual harassment,

Company Action Plan Update

The factory has updated the disciplinary procedures to include an appeal process. The factory will communicate the revised procedures to all supervisors and workers and provide training on the revised procedure.

The factory has conducted training on sexual harassment.

Action Plan no 2.

Description

The factory will reinforce the sexual harassment communication and training to all workers biannually. (April & October) The training will be provided by the Human Resources Manager and include the different forms of sexual harassment. The communication will emphasize the zero-tolerance policy on sexual harassment. If there are any cases of sexual harassment reported the factory will follow its disciplinary system. A tool will be created to measure the knowledge of workers before and after the training to measure the training effectiveness by December 2019.

Company Action Plan Update

The factory has reinforce the sexual harassment communication and training to all worker. Training has be provided by the Human Resources Manager and include the different forms of sexual harassment. The communication emphasized the zero-tolerance policy on sexual harassment. If there are any cases of sexual harassment reported the factory will follow its disciplinary system. A tool will be created to measure the knowledge of workers before and after the training to measure the training effectiveness.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

The factory retrenchment procedure does not include a channel for workers to confidentially express concerns about legally-required payouts. [ER.19.2, ER.25.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.19.2 and ER.25.3)

Root Causes

The factory's disciplinary policies and procedures are developed at the corporate level and they are not aligned with the disciplinary procedures of the FLA Benchmarks.

FLA's Recommendations for Sustainable Improvements

1. Update the current retrenchment procedure to include a confidential channel for workers to express any concern about legally-

required payouts.

2. Communicate the revised procedure to all facilities.

3. Communicate and train factory management and workers on the revised retrenchment procedure.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.The factory retrenchment policy will be updated by June 2019 and a confidential communications channel for workers to express any concerns about legally-required payouts.

Company Action Plan Update

The factory has updated the retrenchment policy and a confidential communications channel for workers to express any concerns about legally-required payouts.

Action Plan no 2.

Description

The factory will communicate the revised retrenchment policy to all workers and supervisors.

The factory will train factory management and workers on the revised retrenchment procedure by June

Company Action Plan Update

The factory has communicated the revised retrenchment policy to all workers and supervisors. The factory will train factory management and workers on the revised retrenchment procedure

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have the Health License required by law. [HSE.4]

2. The factory has no written procedure on protective measures for pregnant or lactating women. Also, pregnant workers have not received sufficient communication on some of the protective measures the factory has implemented to protect them. [ER.1.2, ND.8]

Local Law or Code Requirement

Health Code, Articles 101 and 109 section c); FLA Workplace Code (Health, Safety, & Environment Benchmark HSE.4; Employment Relationship Benchmark ER.1.2; Nondiscrimination Benchmark ND.8)

Root Causes

1. Factory management and their legal advisors were not aware of this legal requirement; The Salvadoran Government does not enforce compliance with this requirement.

2. The affiliated Company has not shared the corporate policy on this topic at the factory level.

FLA's Recommendations for Sustainable Improvements

1. Obtain the Health License from the Ministry of Health. Create a system to alert management of renewal dates of applicable permits and licenses.

2. The affiliated company should share their corporate policy on protection of reproductive health with the factory, ensure it is communicated to eligible workers, and implemented accordingly.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will obtain the health license required by law and will implement a monitoring system to verify all licenses are renewed annually based on the renewal dates of each individual license. May 2019

Company Action Plan Update

1. The factory has applied for the health license required by law and will implement a monitoring system to verify all licenses are renewed annually based on the renewal dates of each individual license. The factory is waiting on the government to issue the license. As of 11/5/19 still no inspection visit from the government.

Update 8-19-20

The factory is still pending the certificate from the Government. The COVID-19 has increased the delay as the government and the factory have both been closed

Action Plan no 2.

Description

The factory will update the procedure on protective measures for pregnant or lactating women and conduct training to education workers. June 2019

Company Action Plan Update

The factory has updated the procedure on protective measures for pregnant or lactating women and conduct training to education workers.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Management did not translate the safety instructions for one compacting machine, used in the solid waste collection area, from English to Spanish, the workers' local language. [HSE.14.3]
2. The factory did not have a warning sign on an electrical panel in the warehouse. [HSE.1]
3. The emergency exit in the warehouse does not have an emergency light, as required by law. [HSE.1, HSE.5.1]
4. The emergency exit for the food preparation area of the canteen was not clearly marked. [HSE.1, HSE.5.1]
5. The factory's containers of Akal, a chemical-based cleaning product, do not include all information required by law: a description of

risks, precautions and preventive measures, or first aid measures to follow in case of emergency. [HSE.1, HSE.9.1]

Local Law or Code Requirement

General Regulations on Risks Prevention at the Workplace, Article 13, Sections 1 and 7; Article 99; Article 222; FLA Workplace Code (Health, Safety, & Environment Benchmark HSE.1, HSE.5, HSE.9, HSE.14.3)

Root Causes

1. The compacting machine was manufactured abroad, and management did not see the need to translate the instructions.
2. A maintenance worker moved the warning sign on this electrical panel, and did not replace it immediately.
3. Factory management had not identified the need for installing an emergency light at this emergency exit.
4. Maintenance workers removed this emergency exit sign temporarily and did not replace it.
5. The factory's health and safety staff considered the name of the chemical on the container sufficient.

Recommendations for Immediate Action

1. Post safety instructions on compacting machine in Spanish. Assessors corroborated that the factory addressed this issue during the onsite assessment.
2. Post the warning sign on the electrical panel in the warehouse. Assessors corroborated that the factory addressed this issue during the onsite assessment.
3. Install an emergency light for the emergency exit of the warehouse. Assessors corroborated that the factory addressed this issue during the onsite assessment.
4. Post the emergency exit sign near the emergency exit for the food preparation area. Assessors corroborated that the factory addressed this issue during the onsite assessment.
5. Ensure the labels on chemical containers include all safety information required by law.

FLA's Recommendations for Sustainable Improvements

1. Verify all machinery has safety instructions are written in Spanish.
2. Train maintenance workers on the importance of safety and posted signs. Monitor to ensure all legally required signs are posted at all times.
3. Regularly (at least monthly) inspect all emergency exits to ensure they are equipped with functional emergency lights.
4. Train maintenance workers on the importance of safety and posted signs. Monitor to ensure all legally required signs are posted at all times.
5. Regularly (at least weekly) confirm chemical containers used at the workshop have labels that include all information required by law.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The safety instructions will be posted on compact machine in Spanish. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain the workers on the health and safety regulation in March. In addition the Safety Manager will make an monthly audit in order to assure all of the findings are correct and sustained April 2019.

Company Action Plan Update

The safety instructions has been posted on compact machine in Spanish. The Safety Department has conduct annual matrix training which include the safety educational programs to retrain the workers on the health and safety regulation in March.

Action Plan no 2.

Description

The warning signs on electrical panels will be posted and The Safety Department will conduct annual matrix training which include the safety educational programs to retrain the workers on Health and safety regulation and requalify maintenance workers by August 2019.

Company Action Plan Update

The warning signs on electrical panels will be posted and The Safety Department will conduct annual matrix training which include the safety educational programs to retrain the workers on Health and safety regulation and requalify maintenance workers.

Action Plan no 3.

Description

The emergency lighting will be installed in warehouse. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain the workers on the health and safety regulation: emergency action plan and fire prevention by June 2019.

Company Action Plan Update

The emergency lighting has been installed in warehouse. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain the workers on the health and safety regulation: emergency action plan and fire prevention.

Action Plan no 4.

Description

The emergency exit sign will be posted in food preparation area. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain workers on the health and safety regulation. Also, the Safety Manager will make an monthly audit in order to assure all of the findings are correct and sustained.

Company Action Plan Update

The emergency exit sign has been posted in food preparation area. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain workers on the health and safety regulation. Also, the Safety Manager will make an monthly audit in order to assure all of the findings are correct and sustained

Action Plan no 5.

Description

The factory will replace all chemical container labels to include all safety information as required by law. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain workers on the Health and safety regulation and it will include storage and handling of all chemical containers. August 2019

Company Action Plan Update

The factory has labeled all chemical container to include the safety information as required by law. The Safety Department will conduct annual matrix training which include the safety educational programs to retrain workers on the Health and safety regulation and it will include storage and handling of all chemical containers