



COMPANIES: Dallas Cowboys Merchandising, Ltd.

COUNTRY: El Salvador

ASSESSMENT DATE: 08/27/19

ASSESSOR: Francisco Chicas

PRODUCTS: Apparel

NUMBER OF WORKERS:

## Summary of Code Violations

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

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

FLA Code Element	Number of Violations
Compensation	1
Hours of Work	1
Employment Relationship	8
Health, Safety, and Environment	2
Harassment and Abuse	1

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. The factory conducts performance reviews for production workers but workers are not given with the opportunity to provide feedback on performance reviews' results. [ER.29]
2. There are no written policies and procedures on Personnel Development, including policies and procedures that encourage ongoing workers' training with the goal of raising their skills so they can advance on their careers, or policies and procedures regulating performance reviews, promotion, demotion and reassignment. [ER.28, ER.29, ER.30]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.28, ER.29, ER.30)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

development interests. Also, in the policy and procedure update provide clear information on how promotions, demotions and reassignment are determined. After the policies and procedures are developed, please make a training plan to make sure all workers and management are aware of these. These policies should be available to all employees so they understand how the performance reviews should occur and how the promotion/demotions/reassignment process works.

Planned completion date

10/31/19

Company Action Plan Update

AppleTree is currently evaluating workers performance after 30 days, 90 days and 180 days. Apple Tree's policy established the performance review procedure that may take place when a worker expresses any aspiration to a different position than the currently being performed. We will share the result with workers to improve in the future.

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Hours of Work

Finding Explanation

1. Based on worker interviews, assessors gathered sufficient evidence to show that most supervisors request workers to provide evidence to justify personal leave as a condition of them authorizing workers to use the leave. Workers from all departments except for the cutting department raised this issue. This action is a restriction on workers' ability to fully enjoy personal leave. [HOW.1, HOW.13, HOW.15]

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.1, HOW.13, HOW.15)

### COMPANY ACTION PLANS

Action Plan no 1.

Description

Personal leave should not require any justification. Instruct supervisors and managers to immediately stop this practice. In coordination with this, communicated to all employees that they do not need to provide justification to take personal leave. Identify the root cause for the approach of requiring justification for leave and implement modifications to effect the necessary changes.

Planned completion date

10/31/19

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

### Finding Explanation

1. Management provides workers with the option to receive 70% of their annual termination payouts in advance. However, the factory has a policy that if workers utilize this option, they will not receive the remaining 30% of due severance that they would be entitled to if they were terminated without cause. This policy goes against the Principle of Inalienability of Workers' Rights established in the Salvadoran Constitution and Labor Code which states that workers cannot waive their labor rights. Assessor did not find implementation of this policy, as there were no instances of termination without cause in the reviewed period. [ER.1, ER.19, ER.27]

### Local Law or Code Requirement

El Salvador Constitution, Articles 38 (section 11) and 52; Labor Code, Article 58; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.27]

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory to disclose agreements with unions regarding severance arrangement with workers, providing a hard copy to all workers and posting it at the facility. Factory to confirm that advance severance payments are being made on an equal and non-discriminatory basis without regard to union affiliation. Factory to train workers and supervisors on the calculation of severance payment and the economic implications of the advance severance payments; conduct a survey of all workers about the practice of advancing severance payments, and to consider changes to the practice based on the results. Factory further to update policies and procedures regarding termination, resignation, and retrenchment with respect to severance eligibility. Factory to keep records of severance payments and amounts so that accurate reconciliations can be made.

#### Planned completion date

10/31/19

## FINDING NO.4

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

### Finding Explanation

1. Around 60% (28 out of 50) of interviewed workers stated that the two Production Managers commit verbal abuse, by shouting at workers and using rude words when calling workers' attention. For example, some of the interviewed workers stated that the Production Managers have called them "useless" when they have made mistakes at their work. One of the unions expressed they had brought the issue to management's attention prior to the assessment, but nothing had changed. During management interview, management stated that they were not aware of the issue. None of the interviewed workers said they had reported the issue to management, which is in line with the lack of awareness of the grievance mechanisms. [H/A.5]

### Local Law or Code Requirement

Labor Code, Article 29 section 5; FLA Workplace Code (Harassment or Abuse Benchmark H/A.5)

### Recommendations for Immediate Action

1. Ensure that the workplace is free from any abuse and ensure that production managers do not commit verbal abuse against workers. Steps to prevent this type of verbal abuse could include improving the communication and training of the harassment and abuse policy

to production managers and asking production managers to sign commitment letters. Additionally, management could ensure that workers are aware of available grievance mechanisms so that workers can raise grievances through these channels.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory has addressed this issue with the two Production Managers and has retained Insaforp to provide additional support for supervisor training on appropriate communication and disciplinary techniques. Factory (1) to assess root cause(s) for inappropriate supervisor communication (e.g., lack of training, failure of grievance mechanisms, performance evaluations, regular feedback mechanisms), and (2) to follow up with unions to assess how the grievance channels can be enhanced both between workers and management, and unions and management. Implement appropriate process changes to address findings with identification of responsible person (s).

#### Planned completion date

09/30/19

#### Company Action Plan Update

Apple tree with the objective of eradicating the risk of harassment or abuse in general at the work place and processes and raising awareness of the importance of good treats in order to maintain a favorable work environment, free of harassment or abuse in any of its forms (physical or psychological) has settled a new duties and responsibilities structure for production managers and supervisors, this along with training which scheduled for both managers and supervisors. AT plan of action is as follows: 1-Training of production managers in the area of Human Relations which was already imparted on September 22, 2019 by INSAFORP (see attached records). 2 - Training of supervisors in the Human Relations theme, which were carried out in 4 days of 4hr on November 9, 16, 23 and 30 (see pictures attached). 3- Changes in duties and responsibilities for production managers and Supervisors as follows: a) Production managers: Will not perform field operational work within the production teams, thus carrying out a technical work in which their interventions will be limited to giving support to the team supervisors for the achievement of production objectives. b) Supervisors: Will be empowered to work side by side with their co workers in order to make production goals achievable by directing the team tasks on the daily basis and being responsible for the teams performance and efficiency.

## FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

#### Finding Explanation

1. There is no ongoing worker training on the factory's policies and procedures. The factory does communicate all policies and procedures on a regular basis and through different means (posting, providing written information to workers, explanations through speakers) but workers are not subjected to ongoing training sessions where they can receive detailed explanations on the different internal policies and procedures. Based on worker interviews, assessors noted that workers lack knowledge in certain areas, including on grievance systems available for them to report concerns, and disciplinary procedures (including appeal process). [ER.1, ER.15, ER.16]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.16)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Develop and implement a process for ongoing worker training that provides information and instruction on policies and procedures that impact workers such as: grievance mechanisms, disciplinary and appeal processes, performance evaluations, customer codes of conduct, compensation and benefits, etc. As part of this process, incorporate ways to ascertain understanding and obtain feedback to ensure that the training is effective. Please provide the documentation for this new approach and information on how it will be rolled out and who will be responsible for executing it.

#### Planned completion date

10/31/19

#### Company Action Plan Update

The company has been performing inductive talks to new staff and reinforcements every year to all workers with topics such as policies and procedures. During those talks and in both cases, the employee handbook it's being delivered to the participants. After the comments made in the last audit, AT will additionally address a specific topic on policies every week, this will be made to all workers through informational capsules through high speaker system . In order to obtain feedback from workers on how they are assimilating the information there will be a per topic list where they can freely indicate if the topic is clear or not so that AT can reinforce accordingly

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

#### Finding Explanation

1. The factory has not provided sufficient communication to pregnant and lactating workers about the existence of the lactation room. Lactating and pregnant workers interviewed during the assessment were not aware of the ability to visit such a room to pump and store their breast milk. Assessors noted that the lactation room was properly equipped. [ER.16]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.16)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Ensure all pregnant and lactating employees are aware of the lactation room. This should be done through both information sessions for pregnant/lactating workers and handout information about the lactation room (e.g., location, availability, storage, etc.). Identify the root cause for the insufficient communication.

Planned completion date  
10/31/19

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The labels of three chemical containers stored in the chemical warehouse, and one chemical container in use in the stain-removal area were only in English and not in the workers' local language (Spanish). The factory management posted the Spanish labels for these containers during the assessment. [HSE.9]

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.9)

##### Recommendations for Immediate Action

1. Ensure that all chemical containers stored in the the chemical warehouse, and those in use in the stain-removal area have labels in Spanish, the workers' local language. The factory addressed this issue during the onsite assessment, by posting labels in Spanish.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Ensure that all chemical containers stored at the chemical warehouse, and those in use at stain-removal area have labels in Spanish, the workers' local language (factory management has already posted some labels in Spanish)

Planned completion date  
09/30/19

##### Company Action Plan Update

All containers are now properly labeled in Spanish. Designated person has been assigned for this tasks and along with compliance staff will be on top of chemical inventory to make sure all containers are labeled in the local language.

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. Assessors noted that the floor was uneven at the entrance of the clinic and there were no signs to warn workers about the potential risk of falling. The factory addressed this issue during the onsite assessment by putting relevant signs on the uneven floor. [HSE.1]

#### Local Law or Code Requirement

General Regulations on Occupational Risks Prevention, Article 112; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1)

#### Recommendations for Immediate Action

1. Add signs to uneven floor at the entrance of the clinic, to warn workers of the potential risk of fall and ensure that the signs are clearly visible to all relevant parties.

### COMPANY ACTION PLANS

Action Plan no 1.

#### Description

Add signalization to uneven floor at the entrance of the clinic, to warn workers of the potential risk of fall (factory management already addressed this issue).

#### Planned completion date

09/30/19

#### Company Action Plan Update

We made this part of the entrance visible for anybody by painting it accordingly

### FINDING NO.9

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The maintenance of one compressor was scheduled for July 2019 following technical specifications, but records of that maintenance were not provided during the assessment. [HSE.14]

#### Local Law or Code Requirement

General Regulations on Occupational Risks Prevention, Article 77; FLA Workplace Code (Health, Safety and Environment Benchmark HSE.14)

#### Recommendations for Immediate Action

1. Provide the relevant maintenance to the compressor, as required under technical specifications.

### COMPANY ACTION PLANS

Action Plan no 1.

#### Description



Planned completion date

09/30/19