



Verification Assessment

COMPANIES: Textiles Opico

COUNTRY: El Salvador

ASSESSMENT DATE: 12/31/17

ASSESSOR: FLA EMEA

PRODUCTS: Apparel

NUMBER OF WORKERS:

FLA Comments

Textiles Opico ended their affiliation with the Fair Labor Association in July 2020. Therefore, there will be no further updates to the Company Action Plans plans contained in this report.

Due to this disaffiliation Textiles Opico is no longer listed on the Fair Labor Association Website, however, their Independent External Assessment reports can still be found at:
<https://www.fairlabor.org/transparency/workplace-monitoring-reports>

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.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There is an operators' training school for new workers. Pink flyers with a special request for exclusively female candidates are being provided by management outside of the factory. 2. Some job descriptions include gender, age range, and marital status as prerequisites for application. 3. There are no written policies or procedures that encourage the ongoing training of workers with the goal of increasing or widening workers' skills in order to advance their careers within the factory and beyond.

Local Law or Code Requirement

FLA Workplace Code (Non-discrimination Benchmark ND.2.1; Employment Relationship Benchmarks ER.1.1, ER.3.2, and ER.28.1)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status Remediated
Explanation: The factory no longer uses pink flyers to promote employment. The recruitment of new workers is done through employment fairs. The assessors did not find any evidence that the recruitment and hiring process excludes male candidates. The assessors corroborated that the factory hired both males and females as sewing operators over the past three months.

2. Finding Status Remediated
Explanation: A review of job descriptions showed that they do not include gender, age range, or marital status as prerequisites for application.

3. Finding Status Remediated
Explanation: A records review showed that there are policies and procedures that encourage the ongoing training of workers with the goal of increasing or widening workers' skills in order to advance their careers within the factory and beyond. For example, workers at sewing production lines have been assigned permanent trainers to help workers improve their skills in the use of the different sewing machines.

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. Factory has no written policy or procedure on either: a) termination and retrenchment or b) hours of work. 2. There is no procedure for determining termination payouts that: a) includes methods for the correct assessment of payouts for all modes of termination/retrenchment and b) takes legal requirements into account. 3. No confidential channel has been established for workers to express the concerns or issues they might be experiencing around their legally owed payments during retrenchment. 4. No training has been provided for supervisors on termination and retrenchment practices.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER. 17.1, ER.19.1, ER.19.2, and ER.32.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status Remediated
Explanation: Through a records review, the assessors corroborated that the factory has developed written policies and procedures on termination and retrenchment.

2. Finding Status Remediated
Explanation: The factory has developed a procedure for determining the termination payouts that includes methods for the correct calculation of termination payouts for all modes of termination/retrenchment which includes applicable legal requirements.

3. Finding Status Not Remediated
Explanation: The current termination and retrenchment procedures do not include a confidential channel for workers to express concerns or issues that they might be experiencing related to their legally owed payments during retrenchment. ER.1, ER.19 and ER.25
Root Causes: The management omitted this requirement on the revision of the termination and retrenchment procedures, as there was not a verification process to ensure that all FLA Compliance Benchmark requirements were incorporated.

4. Finding Status Not Remediated
Explanation: Assessors corroborated that no training on termination and retrenchment has been provided to supervisors over the past 12 months. ER.1, ER.17

Root Causes: 1. Due to the unexpected increase of production orders over the past months, the management could not implement the training program as it was designed. 2. The HR Manager position was vacant in mid 2017 and the factory has faced challenges in filling the position.

Local Law or Code Requirement

FLA Workplace Benchmark (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.17.1, ER.17.3, ER.19.2 and ER.25.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #3: Factory management is working on a procedure to document that workers' have been explained the severance payment and to provide a confidential channel to consult for any doubts in their severance calculation. To be completed on August 31 2018.

August 2018 Company comments on finding explanation #4: Trainings are scheduled to be done on September 2018.

PREVIOUS FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

Factory has not provided union leaders with the facilities necessary for the proper exercise of their functions, including access to workspaces.

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.15)

Recommendations for Immediate Action

Management is to provide union leaders and other worker representative structures with the facilities necessary for the exercise of their functions.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

Explanation: In November 2013, the factory granted the union leaders authorization to do union affiliation activities during lunchtime. However, the factory has not yet offered any other facilities to the union, such as a notice board, a room or office for holding union meetings, or a room or office for keeping union documentation on site. FOA.15

Root Causes: 1. Both the union leaders and the factory management neglected to engage in further discussions on the provision of facilities for the union. Management facilitates rooms for the "dialogue table" meetings, but the internal meetings held by union leaders take place at the factory's canteen or outside the factory. Files are maintained by the leader of the trade union who is not a worker of this factory.

Local Law or Code Requirement

FLA Workplace Benchmark (Freedom of Association Benchmark FOA.15)

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation: Factory management is working on the written procedures on how to properly complete this observation.

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The workers' right to appeal disciplinary actions is not properly regulated as there is no implementation procedure. Although there is a brief description included in the Worker's Handbook, there is nothing in the Internal Policy and Procedure Handbook. 2. The disciplinary procedure does not properly allow for the presence of a third-party witness during the imposition of disciplinary action.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.4)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status Remediated

Explanation: The appeal procedure was developed in detail.

Root Causes:

2. Finding Status Remediated

Explanation: Based on records review, the current disciplinary procedures include the workers' ability to have a third-party witness during the imposition of disciplinary actions. Based on worker reviews, some workers had the union representatives present during the imposition of a disciplinary action.

PREVIOUS FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

There is no sexual harassment preventive program in the workplace, as required by law, e.g., briefings, preventive plans, resources allocation.

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)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

Explanation: The factory has developed a policy and procedure related to harassment and abuse. Also, the factory is working with the Salvadoran Social Security Administration to implement a training program on sexual harassment in the upcoming weeks. However, at the time of the assessment, the factory had not provided the training to workers, managers, or supervisors. H/A.1
Root Causes: 1. Due to the absence of a HR Manager and the challenges faced in filling the position, the factory has not been able to implement the training program in 2017.

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)

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation: These trainings are scheduled on the 3rd week of November 2018; as stated in the annual trainings scheduling of 2018.

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Factory management does not have the environmental permit required by local law.2. Residual ink from Sublimation is not disposed of and treated by an authorized chemical handler.3. Factory's environmental protection policy does not include a commitment to minimize environmental impacts with respect to:a) the conservation and use of energy and water and b) management of solid waste.4. Orientation training for new employees does not include factory's environmental protection policy and procedures.

Local Law or Code Requirement

Environment Law, Article 19; FLA Workplace Code (Employment Relationship Benchmarks ER.15.1 and ER.31.3; Health, Safety and Environmental Code Provision VII and Benchmarks HSE.1 and HSE.4)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status Remediated

Explanation: A records review showed that the Ministry of Environment and Natural Resources issued the environment permit for Textiles Opico in April 2015.

2. Finding Status Remediated

Explanation: Documentary evidence showed that the supplier company that sells chemical inks to the factory also disposes of the residual ink and empty ink containers.

3. Finding Status Remediated

Explanation: The current Environmental Protection policy includes a commitment to minimize environmental impacts with respect to the conservation and use of energy and water and the management of solid waste.

4. Finding Status Remediated

Explanation: Based on worker interview and document review, the new worker orientation training now includes an Environmental Protection policy and procedures.

PREVIOUS FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The label for 1 stain-removal chemical container did not match its content; therefore, it was not possible to know which Material Safety Data Sheet (MSDS) to follow in case of human contact/inhalation or other accidental/emergency situation.2. Chemical storage room is not safely protected from the elements. Rainwater has leaked through several holes in the roof, flooding the storage room.

Local Law or Code Requirement
Salvadoran General Regulations on Risks Prevention in the Workplace, Article 200 (a) and (c), and Article 204, Numeral 2); FLA Workplace Code, Code Provision VII (Health, Safety and Environmental Benchmarks HSE.1 and HSE.9.1)

Recommendations for Immediate Action

- 1. H&S Manager is to ensure that chemicals are safely decanted into the proper containers.
- 2. Factory management is to repair the roof holes in the chemical storage room.

VERIFICATION RESULT

Finding Status
Remediated

Remediation Details
1. Finding Status Remediated
Explanation: During the observation tour through the chemical storage room and the other production areas where chemicals are used, the assessors confirmed that the labels of all chemical containers matched the containers' contents.
2. Finding Status Remediated
Explanation: During the observation tour, assessors corroborated that the chemical storage room was protected from the elements and that the roof was in good condition.

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation
Factory has not developed the Preventive Program for Managing Health and Safety (H&S) Risks at Workplace, as required by law.

Local Law or Code Requirement
General Law on Risks Prevention in the Workplace, Article 8; FLA Workplace Code (Health, Safety and Environmental
Benchmark HSE.1)

VERIFICATION RESULT

Finding Status
Remediated

Remediation Details
Explanation: The factory has developed and implemented the Preventive Program for Managing Health and Safety Risks at the Workplace, which consists of 1) Identification, evaluation and management of occupational risks; 2) Keeping records and notifying the Ministry of Labor of work accidents; 3) Design and implementation of emergency/evacuation plan; 4) Provision of training to workers on occupational risks; 5) Trainings on alcohol and drugs consumption, sexually transmitted diseases, and reproductive health, and 6) Establishment of a Health and Safety Committee. All these actions have been implemented by the factory.

PREVIOUS FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation
1. Childcare facility's main emergency exit does not open outwards, as required by law and FLA Workplace Code.
2. There is a table with sharp corners in a common area, posing a risk of injury for the children who walk around.
3. Lamps on the roof of the food preparation areas are not adequately protected against the possibility of broken glass falling into food when it is being prepared.

Local Law or Code Requirement
Salvadoran General Regulations on Risks Prevention in the Workplace, Article 13.4; FLA Workplace Code (Health, Safety and
Environmental Benchmarks HSE.1, HSE.5.1, and HSE.19)

- Recommendations for Immediate Action
- 1. Factory management is to adjust the childcare facility's emergency exit to ensure that it opens outwards.
 - 2. Equip the table in the childcare facility with corner safety devices to prevent potential injuries.
 - 3. Equip lamps at food preparation areas with protective devices that prevent broken glass from falling into the food.

VERIFICATION RESULT

Finding Status
Remediated

Remediation Details
1. Finding Status Remediated
Explanation: During the visit to the childcare facility, assessors corroborated that the main emergency exit door opens outwards.
2. Finding Status Remediated
Explanation: The table with sharp corners has been replaced with another table with rounded edges, reducing the risk of injury to the children.
3. Finding Status Remediated
Explanation: The lamps on the ceiling of the food preparation area are now protected to prevent potential broken glasses from falling into the food.

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. No warning signs on the electrical boxes.2. An aisle was found partially blocked by a sewing machine in maintenance.3. A load dock, not in use, was found unchained, posing risk of fall for the employees.4. Floor marks leading to emergency exits are fading away.5. There is an electric air pump stored under an electrical box.6. Assembly areas in front of the building may block access to firefighting trucks and other assistance vehicle.7. 1 forklift was not equipped with a back-up alarm.

Local Law or Code Requirement

Salvadoran General Regulations on Risks Prevention in the Workplace, Articles 107 and 113; FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.5.1 and 14.1)

Recommendations for Immediate Action

1. Clear the aisles and mark the evacuation routes in all areas where floor paint is fading.
2. Add warning signs to all electrical boxes or panels on the production floor.
3. Use the loading dock chain when not in use.
4. Remove the electrical air pump from under the electrical box.
5. Factory management is to ensure that all forklifts are equipped with relevant safety devices, such as back-up alarms.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status Not Remediated

Explanation: During the visit to Sublimation Department, the assessors noted that three electrical panels were missing warning signs. HSE.14

Root Causes: The panels were installed only a couple of months ago. The new Health and Safety Manager, who was hired one month before the assessment, failed to identify the lack of warning signs on these electrical panels.

2. Finding Status Remediated

Explanation: During the observation tour, the assessors noted that all aisles were unblocked.

3. Finding Status Remediated

Explanation: All loading docks are protected with chains to prevent accidental falls.

4. Finding Status Remediated

Explanation: During the observation tour, the assessors noted that all aisles are marked with floor markings that indicate the closest emergency exits.

5. Finding Status Remediated

Explanation: During the observation tour, the assessors did not notice any electrical pump stored under electrical panels.

6. Finding Status Remediated

Explanation: The factory has designated one assembly area in front of the building, which does not block the access for firefighting trucks and other assistance vehicles.

7. Finding Status Remediated

Explanation: The assessors confirmed that the factory acquired two new forklifts in 2016 and they both are in good condition. The back-up alarms were tested and worked well.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.14.1 and 14.3)

Recommendations for Immediate Action

Install warning signs to all electrical panels at the Sublimation Department.

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: Control panels were covered on June 2018.

PREVIOUS FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

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.

Local Law or Code Requirement

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

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

Explanation: Through records reviews and interviews with the union leaders, the assessors found that the factory created new policies and procedures and also updated existing ones in

consultation with the union in 2015. The factory has also created Workers Committees as a grievance and communication channel with workers. Nevertheless, the factory is still not systematically consulting workers in the decision-making process around other decisions that have a significant impact on working conditions, such as changes in production operations. ER.1.3 and ER.25.2
Root Causes: 1. Top management believes that they should make strategic operation decisions without consultation with the union or workers.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: As mentioned before factory management makes workers representative participate in the creation of internal policies once they were created and or reviewed; and there are several communications channels for consultation, including monthly union meetings and communication committee, where several subjects, including related to production are consulted, explained and then modified if needed

New Findings and Action Plans

NEW FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory did not make available to the assessors the records of supervisor training on how to implement performance reviews. ER.22. The factory began using temporary workers in July 2017, of which there 69 at the time of the assessment. Based on management and worker interviews, the management initially did not offer these positions as temporary employment and workers applied for the available jobs thinking they were permanent jobs. ER.13. The factory has not hired the legally required number of disabled workers. Currently, the factory employs 39 disabled workers, but the legally required number is 64. ND.1

Local Law or Code Requirement

Law of Equality of Opportunities for Disabled Persons, Article 24; FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.2.1, ER.2.1.1; Nondiscrimination Benchmark ND.1)

Recommendations for Immediate Action

<!--[endif]-->Keep records of all training activities provided at all levels within the factory: production workers, supervisors or managerial positions.

<!--[endif]-->Ensure that all terms and conditions of employment are clearly explained to all applicants prior to start the recruitment and hiring and process.

<!--[endif]-->Engage with government, brands, and civil society organizations to progressively comply with the legal requirement to employ a minimum number of disabled workers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: Factory management expects to schedule next recodatory training by november 2018.

August 2018 Company comments on finding explanation #2: Factory management is working on a form to make sure all terms and conditions of employment are clearly explained to all applicants during the recruitment and hiring process and if any change is made during the process.

August 2018 Company comments on finding explanation #3: Factory management is working on sending letters to NGO's specialized in this subject to find more workers with disabilities to comply with this requirement.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The Export Warehouse and the Sublimation Departments operate a night shift from 5:00PM to 6:00AM during four consecutive workdays. This work scheme exceeds the legal daily hours of work limit of 7 hours. Also, this work schedule means five overtime hours every workday on a regular basis, which goes against the legal requirement of only performing overtime occasionally. HOW.1, HOW.82. The night shifts at the Export Warehouse and the Sublimation are not included in the Internal Regulations. As a result, the Ministry of Labor has not authorized these work schedules. HOW.13. Three workers from the Export Warehouse exceeded 60 hours of work during the last two weeks of July 2017. The hours of work ranged from 73 to 86 hours, including overtime. Also, one worker worked consecutively from July 17 to July 29 without receiving a rest day. HOW.1, HOW.2, HOW.84. The supervisor of the Machinery Maintenance Department worked 63 hours during the first week of July 2017. HOW.1, HOW.8

Local Law or Code Requirement

Labor Code, Articles 161, 170, 302 and 304 section a); FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.1.3, HOW.2, HOW.8.1, HOW.8.2 and HOW.8.3)

Recommendations for Immediate Action

<!--[endif]-->Avoid situations where workers have to work in excess of 60 hours per week, and ensure that all workers receive one rest day for every consecutive six workdays.

<!--[endif]-->Retroactively provide one rest day to the worker of the Export Warehouse who did not receive a rest day during the period of July 17-29, 2017.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Recommendations for Immediate Action

August 2018 Company comments on finding explanation #1: Factory management avoids workers to work in excess of 60 hours per week.

August 2018 Company comments on finding explanation #2: Factory management is scheduling one rest day to the worker of the Export Warehouse who did not receive a rest day during the period of July 17-29 2017.

Recommendations for Sustainable Improvement

August 2018 Company comments on finding explanation #1: night shift was canceled since March 2018.

August 2018 Company comments on finding explanation #2: Factory management is hiring temporal workers, following local law requirements for peak production seasons.

NEW FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

During worker interviews, the assessors identified one instance of co-workers bullying one disabled worker. The bullying consisted of making jokes about the worker's disability. H/A.1 and ND.1

Local Law or Code Requirement

Law of Equality of Opportunities for Disabled Persons, Article 2 section 1); FLA Workplace Code (Nondiscrimination Benchmark ND.1)

Recommendations for Immediate Action

Factory management must take all necessary protective and disciplinary actions to prevent bullying.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Recommendations for Immediate Action:

August 2018 Company comments on finding explanation #1: factory management will contact the worker to investigate the situation

Recommendations for Sustainable Improvement

August 2018 Company comments on finding explanation #1: This training will be included in the group of trainings for November 2018

NEW FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. A set of seven fluorescent lamps are stored in the designated area for storing solid waste but the lamps should be treated and disposed as hazardous waste. HSE.1
2. Solid waste was stored outside of the designated area and exposed to the weather elements due to a lack of sufficient space for storing all waste generated. HSE.1

Local Law or Code Requirement

Environmental Law, Article 50 section b); FLA Workplace Code (Health, Safety and Environmental Benchmark HSE.1)

Recommendations for Immediate Action

Ensure that hazardous waste is segregated from solid waste.

Expand the solid waste collection area to prevent solid waste from being exposed to the elements in situations where sanitation trucks fail to conduct the collection and final disposal processes.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Recommendations for Immediate Action:

August 2018 Company comments on finding explanation #1: factory management will contact the worker to investigate the situation

August 2018 Company comments on finding explanation #2: Factory management is working with the sanitation trucks company to collect the trash more frequently.

Recommendations for Sustainable Improvement

August 2018 Company comments on finding explanation #1: This is included in the health and safety inspections done in the factory.

NEW FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. One of the two assembly areas at the Fabric Warehouse used by workers during emergency evacuations was not marked. HSE.5
2. The emergency evacuation assembly area designated for the Sublimation Department was blocked with a trash cart. HSE.5

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.5.1)

Recommendations for Immediate Action

<!--[endif]-->Ensure that all assembly areas are marked and unblocked at all times.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Recommendations for Immediate Action

August 2018 Company comments on finding explanation #1: This is included in the health and safety inspections done in the factory.

Recommendations for Sustainable Improvement

August 2018 Company comments on finding explanation #1: This is included in the health and safety inspections done in the factory.

NEW FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Nine fabric inspection machines, twelve sublimation machines, and four Lectra cutting machines are missing safety instructions as required by FLA Compliance Benchmarks. HSE.14

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.14.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: Factory management will review all machinery to ensure the existence of safety instructions are placed.

NEW FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. During the observation tour at the Mechanic Workshop and the Sewing Production lines, the assessors noted that the mechanics stored drinking water containers next to chemical cleaning containers, which constitutes an unsafe practice due to the risk of contamination. HSE.1, HSE.9
2. The Mechanic Workshop is missing an eyewash station. The MSDS of the chemical products used in this area require the washing of the face and eyes in case of contact. Therefore, an eyewash station is required. HSE.1, HSE.6

Local Law or Code Requirement

General Regulations on Risk Prevention at the Workplace, Articles 221 and 241; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.6.1 and HSE.9.2)

Recommendations for Immediate Action

<!--[endif]-->Avoid the practice of keeping drinking water containers close to chemical containers to eliminate the risk of contamination of drinking water containers.

<!--[endif]-->Install an eyewash station at the Mechanic Workshop.

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: Factory management will include this subject for the workshop workers trainings

August 2018 Company comments on finding explanation #2: The workshop area will be relocated in the factory, once it has been relocated eyewash station will be placed in the area.

August 2018 Company comments on finding explanation #1: the workshop area will be relocated in the factory, once its done it will be study if more drinking water sotrage areas are needed in the area.

August 2018 Company comments on finding explanation #2: Factory management will include this subject for the workshop workers trainings

NEW FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The assessors noted three points of uneven floor in the Sampling Department that were missing signalization indicating the risk of fall, as legally required. HSE.1

Local Law or Code Requirement

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

Recommendations for Immediate Action

Sure that the uneven floor in the Sampling Department has signalization to warn workers of the risks of falling.

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: Factory management has placed floor cord covers with signalizaton indicating risk of fall as legally required.

Recommendations for Sustainable Improvement

August 2018 Company comments on finding explanation #1: This will be included in the health and safety periodic inspections.

NEW FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. There is no ongoing training for workers and supervisors for most of the Employment Functions: Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Termination and Retrenchment, Workplace Conduct & Discipline, Grievance System, and Environmental Protection. ER.1, ER.15, ER.17
2. Over the past year, the HR management team has not received an ongoing training on disciplinary procedures. ER.1, ER.27

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.2, ER.17.1, ER.17.3 and ER.27.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

August 2018 Company comments on finding explanation #1: Trainings will be restarted in November 2018

August 2018 Company comments on finding explanation #2: Records such as signing lists, photos and presentation tools will be kept for further review.

August 2018 Company comments on finding explanation #3: Records such as signing lists, photos and presentation tools will be kept for further review.