



Investigation report

Center for Reflection, Education and Action
CREA

Requested by Fair Labor Association

July 2012

1. Introduction

Between October and November 2011 the brands Outerstuff and College Kids commissioned an investigation into working conditions at the factory Style Avenue.

Subsequently, the Fair Labor Association requested the Center for Reflection, Education and Action (CREA) to conduct a follow-up study of the 2011 investigation.

In June 26-29, 2012, CREA's team¹ reviewed each of the actions in the remediation plan included in the 2011 report, and checked their status of compliance.

This report contains the findings of the investigation by CREA commissioned by the Fair Labor Association.

Style Avenue is located in the town of Ilopango, Department of San Salvador, in El Salvador. It has 406 workers² and makes garments for brands such as Outerstuff, Billabong, Fox and College Kids³.

¹ CREA's team consisted of 1 lead auditor, 3 auditors for interviews and 1 auditor/accountant.

² According to payroll documents from 21 May 2012 to 2 June 2012.

³ According to the interview with management conducted for this report.

2. Methodology

CREA initiated the investigation on 21 June 2012 using the following methodology:

Activities Prior to the Factory Visit and Outside the Factory

This included meetings with representatives of the Board of the local branch of the Union of Workers of the Clothing Industry (STIVES), the Federation of Associations and Independent Unions of El Salvador (FEASIES) and the Institute for Global Labour and Human Rights. Communication with these organizations began with the initiation of the investigation and continued until its end. A phone number was provided to all interviewed workers in the factory in order that, if they thought it necessary, they might contact the CREA team before the close of the investigation.

Activities Within the Factory

The in-factory audit was conducted between 26 and 29 June 2012, in order to identify the current status of each component of the remediation plan. The verification included interviews with workers; interviews with management; document review; visual inspection; and testing of the ground water quality and ambient temperature.

The interview sample was 120 people, representing 30% of the factory's workforce. The sample included 94 women and 26 men.

Selection of the sample of workers was based on the following criteria:

- Representation of all departments of the factory
- Persons with different tenure (length of time) with the factory
- Pregnant women
- Persons with disabilities
- Supervisors

During the factory audit, updated documentation was reviewed containing information since December 2011 on each one of the actions in the remediation plan.

3. Findings

Below are the results of the investigation that includes the compliance status of the remediation plan. Each of the sections addresses the points that make up the list of actions required of the factory.

3.1 Exercise of freedom of association

Anti-union discrimination was a part of daily life at the Style Avenue plant. The 2011 report on working conditions verified actions against the exercise of freedom of association, including the dismissal of trade union leaders.

The findings observed during the investigation were:

a) Roundtable

Following the investigation of labor conditions in 2011, the factory and the union formed what is called a “Dialogue Roundtable,” that is, a space to facilitate communication between the union and factory management. The Roundtable meets once a month and involves 2 representatives each from STIVES, FEASIES, and factory management. So far, the points discussed include the implementation of the remediation plan and specific cases of workers abuse or dismissal.

Both factory management and the union say that the atmosphere of freedom of association in the factory has improved. Both say that such process of improvement is in an embryonic stage and actions to further implement and improve it still remain to be taken. However, they say that the Roundtable is a major starting point.

The participation and immediate involvement from College Kids, Outerstuff and the Adidas Group in work with all stakeholders, including FEASIES, GMIES, IGLHR, STIVES, and the owners of Style Avenue, was evident. Initial meetings at FEASIES on 1 November 2011, and a follow-up meeting on 6 December 2011, aided both factory management and the union in forming the Roundtable. Continued visits to Style Avenue over the past 8 months by College Kids and Outerstuff, communicating with the owners and monitoring progress, has had positive results regarding this issue.

One of the important achievements of the Roundtable has been to serve as a space for dialogue around the creation of internal policies of Style Avenue. Before the 2011 investigation, the factory had no internal labor policies. The policies put in place since then contain principles to regulate the relationship of workers and factory management. Among the issues addressed by these internal policies is the right of association and of creation of unions.

Among the remaining challenging issues before the Roundtable are those related to the relationship between workers and supervisors. These issues include verbal abuse (see section on verbal abuse) and dialogue about worker dismissals.

Importantly, most of the meetings of the Roundtable have focused on the creation of labor policies and few specific cases have been addressed. According to union representatives, the new phase of the Roundtable is expected to have an important role in addressing specific cases of possible labor rights’ violations.

The Roundtable does not keep written records of its meetings or agreements, which makes it difficult to identify the issued addressed and agreements reached.

b) Monthly meeting between supervisors and the union

In addition to the Roundtable, monthly meetings between the union and company supervisors have been established. These meetings have an important role in the dialogue between supervisors and the union in the sharing of the company's commitments as contained in the Labor Policies and as developed from the remediation plan. As with the Roundtable, one of the challenges of these meetings is to address and resolve issues related to the relationship between supervisors and workers in order to eliminate cases of verbal abuse.

c) Training

One of the actions recommended by the remediation plan developed in conjunction with the 2011 investigation was the creation of a training program to include topics such as freedom of association. Thus, 4 trainings were conducted between 11 and 18 January 2012; they covered the topics of core labor rights and the right of association. So far, approximately 40 persons have participated in the trainings, representing approximately 10% of the factory's workforce. Training participants included persons affiliated with STIVES, workers in different departments of the factory and supervisors. Apparently, representatives of the factory's various departments were selected by their colleagues; however, there was no information indicating the existence of a selection process or criteria.

Currently, the training program has been suspended, as the factory has entered a high production cycle. However, according to management, trainings have been rescheduled to start in July 2012. The company has made arrangements with government agencies and NGOs to participate as facilitators in some of the trainings. It is expected that training will be given on Saturdays in July and August (9 weeks). The workers will be paid for the number of hours that they attend the trainings.

Although the start of the trainings is an important step in implementing the remediation plan, it is necessary that the scope of training reach at least 40% of factory workers. It is also necessary to improve the criteria for selecting those who attend, in order to ensure their effectiveness. (This was also mentioned in interviews with the workers.) Also suggested was that the agenda be developed jointly with the union to ensure that its contents meet the needs of the workers.

d) Policies

As mentioned previously, the company lacked internal policies that regulate labor relations. The process of developing these policies began in April 2012, with the active participation of STIVES and FEASIES. Policies already approved by the union and management were published in pocket-sized format and distributed to the workers.

The existence of an internal policy that provides for freedom of association does not imply that all persons working in the factory are aware of this policy and understand its scope. From interviews with the workers, it was found that 78% do not know the nondiscrimination policy of the company. This finding indicates the need to disseminate the information and to train the workforce on this topic.

e) Conduct of management and supervisors toward the union

Representatives of FEASIES and STIVES have indicated that while the anti-union attitude has declined, it has not disappeared completely. They note that 3 supervisors, including [Supervisor #1] still have anti-union attitudes⁴. This situation deserves special attention because such behavior by a high-level supervisor may set a bad example to others in supervisory positions.

Interviews with workers provided the following information:

⁴ Some of the comments about unions include: "the union is negative for the factory" and "it is better not to get together [associate] with union members."

- 31% fear retaliation for wanting to unionize
- 26% indicated that some supervisors have told them that the union is not a positive element in the factory
- 90% know of the existence of the union
- 50% said that management and the have an ongoing dialogue about issues related to working conditions.

It is evident that the remediation plan has been partially fulfilled.

Status of Corrective Action: Ongoing (needs improvement)
Corrective Action Item Number 1: Freedom of association

Action 1: Training on core labor rights and freedom of association has started, but as mentioned above, it is still necessary to reach at least 40% of the workforce. The trainings need to be started again with improved criteria for selecting topics and participants.

Action 2: Internal policies on freedom of association now exist, but the challenge is still there to ensure that workers know the content of the policies. In general, this situation has improved compared to 2011, but further work is needed on the challenges and obstacles that still exist.

3.2 Work Days and Working Hours

To properly analyze the situation regarding work days and work hours, it is essential to refer to Salvadoran law that regulates them:

Article 161: The regular working day shall not exceed 8 hours per day and the working hours during night shifts shall not exceed 7.

Article 167: Between the end of a working day, regular or with the addition of overtime, and the initiation of the next, there must be a period of not less than 8 hours.

Article 170: The working of overtime may be agreed upon only occasionally, when unforeseen, special or necessary circumstances so require.

The factory's work schedule is:
 Monday to Thursday: from 7:15 a.m. to 5:00 p.m.
 Friday: from 7:15 a.m. to 4:00 p.m.
 Rest days: Saturday and Sunday

The information collected from the document review revealed that for some sections of the factory, it is common for workers to work on Saturdays; this was also evident from the interviews. Therefore, it is suggested that this situation be examined in depth to prevent it from becoming a regular practice that would violate Article 170 of the Labor Code.

While the company is developing its Labor Policy, the provisions of the Labor Code concerning working hours are not being applied in full. The Investigation Team verified cases where workers⁵ entered on 25 May 2012 between 7:00 and 7:15 in the morning, and left at the same time on 26 Saturday May 2012. This violates the labor law, as workers worked beyond the 7 nightly hours established in the Labour Code.

Also, the team identified cases where workers⁶ arrived between 7:00 and 7:15 in the morning on 2 May 2012, and left at 12 at night. As a result, people who worked on this shift did not have access to the 8 hours of rest required by the Labor Code. Workers noted that when they worked overtime at night, the company provided them food and sometimes transportation.

Consultation with management revealed the long night shifts occurred at the most critical moments of production. They also established that the intermediary company, [Intermediary Company name], struggled to provide in a timely fashion the necessary fabric for making the garments; this impacted the workday, especially in the packing area.

In the interviews, the workers said they all do overtime: 38% said they work overtime every week for 2 to 3 extra hours a day; 39% said there are times when they work to achieve the bonus; and 18% said that they work overtime to achieve the bonus, and they are paid for the overtime. This situation could not be verified through documents.

It is necessary to establish that while it is important to have internal company labor policies and to resume training on aspects of the regulation of working hours, this will have no impact on working conditions if the practice of having working hours that do not meet legal standards continues. The current low salary that prevails in the industry leaves workers needing to work long shifts.

One of the important tools to verify if workdays are in compliance with labor standards is the system of recording working hours. While this system was revised in March and April 2012, it is suggested that improvements be made to include information in the written reports. Although the computer system records the 24 hours of the day, the written reports do not show overtime work after 12 o'clock at night.

It is evident that at this point, the remediation plan has been only partially fulfilled.

Status of Corrective Action: Ongoing (needs improvement)
Corrective Action Item Number 2: Workdays and working hours

Actions 1 and 3: Despite the existence of a written policy governing working hours and the training provided to supervisors, there are still violations of labor regulations.

Action 2: While the system of recording working hours has been reviewed and is regularly used by workers, 18% of responses in worker interviews indicate that sometimes they are not paid overtime, and only receive bonuses. This situation could not be verified through documents.

⁵ 7 cases from the sample.

⁶ 3 cases from the sample.

3.3 Verbal abuse and sexual harassment

According to the 2011 report of labor conditions, verbal abuse was a frequent occurrence in the factory. The report also mentioned a supervisor who sexually harassed female employees.

According to 40% of workers interviewed, verbal abuse is still part of the factory's daily reality; 55% indicated that management could implement more measures to avoid such situations.

Meanwhile, the union noted that the verbal abuse is associated in particular with 3 supervisors:

-[Supervisor #2] of lines [line number], [line number], [line number], [line number], [line number], [line number], [line number] and [line number]

-[Supervisor #3] of lines [line number], [line number], [line number] and [line number]

-[Supervisor #4] of lines [line number], [line number] and [line number]

Worker interviews also identified those same 3 people as sources of verbal abuse.

The documentary records of the company include 2 communications dealing with verbal abuse, dated 24 November 2011 and 21 January 2012, and addressed to heads of departments, supervisors and assistant production supervisors. In these communications, the company management reiterated that it is imperative to treat workers in a proper and dignified manner, and that worker mistreatment, verbal abuse and sexual harassment are prohibited. The management adds that it will apply appropriate sanctions to those engaged in such behavior.

Company documents recorded 5 sanctions against supervisors for verbal abuse, of which 4 imposed a suspension without pay, and 1 that gave a verbal warning.

From the above, it may be inferred that the factory has begun to implement corrective actions. However, as the problem still persists, it is necessary to implement additional measures that will have a significant impact on the treatment of workers.

Not a single case of sexual harassment has been reported, either during the interviews with workers or through the union's records. The company's new internal policies prohibit mistreatment by word or deed, and they establish a zero-tolerance policy against sexual harassment. Information about the ban has been placed on the factory's bulletin board.

We could not establish the existence of special mechanisms regarding complaints, investigation, and follow up regarding sexual harassment cases. There is a suggestion box in the bathrooms, placed there a month ago, but management has not yet collected the first set of suggestions from it; it hopes to do so jointly with the union. It is essential that workers know in depth how the suggestion box works and how complaints are followed up. A notice about the suggestion box and its procedures has been placed on the notice boards at the factory. While this action is important, it is not sufficient to ensure proper use of the suggestion box; the suggestion box and its use should be included in the subjects to be addressed in future trainings.

It is also recommended that for cases of sexual harassment, a special mechanism be provided to ensure no re-victimization of the person making the allegation.

The trainings that have been given included the topic of verbal abuse and verbal harassment. However, these trainings have not reached a significant share of the working population. Until they do, the majority of workers in the factory will not be familiar with these procedures and will not be able to identify when there are violations.

Our investigation shows, therefore, that the remediation plan has been implemented in part, as summarized below:

Status of Corrective Action: Ongoing (needs improvement)

Corrective Action Item Number 4: Verbal abuse and sexual harassment.

Action 1: The company has a policy regarding abusive behavior and harassment of workers. The harassment policy states that these behaviors will receive zero tolerance by management. However, verbal abuse cases continue to be reported.

Action 2: Notice of this policy has been posted on the factory's bulletin board. The poster has been placed in a visible place, but is small in size.

Action 3: The company has established suggestion boxes, but there is no special mechanism for reporting abuse and sexual harassment.

Action 4: The Investigation Team found no formal mechanism for investigation and follow up of sexual harassment allegations.

Action 5: There was evidence of implementation of disciplinary measures in cases of verbal abuse. However, this action was insufficient, as verbal abuse remains one of the problems facing workers.

Action 6: Worker abuse and sexual harassment have been included in the trainings, but it is essential that trainings have broader reach and include more workers. Training should also include the suggestion box mechanism.

3.4 Plant's temperature

According to management records, the Ministry of Labor visited on 12 March 2012 to conduct a scheduled inspection on safety, hygiene and prevention. The Ministry conducted an environmental study to check the temperature of the plant and determined that the temperature is satisfactory for the type of work done at the factory.

The workers said increases in personnel have an impact on the ventilation of the factory. Between March and June, management had not conducted any study of the temperature to determine locations that may require additional ventilation.

92% of workers interviewed stated that the production area was very hot and needed more ventilation. Since the 2011, a ventilation fan has been repaired, but it seems that this is insufficient to properly ventilate the factory. The temperature study done by the Agricultural Chemistry Laboratory of the Central American University--José Simeón Cañas, established that the temperature of the factory exceeds the acceptable standard for the type of work that is performed in the factory. The temperatures reported were between 30 and 33 degrees Celsius.

Status of Corrective Action: Pending

Corrective Action Item Number 5: Temperature of the plant

Action 1: Ventilation in the production area of the plant has not been enhanced substantially. Although the Ministry of Labor conducted a study in March 2012, it is necessary to perform another one. In addition, increases in the workforce should be accompanied by new ventilation measures and new studies.

3.5 Water quality

On 27 June, the Agricultural Chemistry Laboratory of the Central American University--José Simeon Cañas, visited the factory to perform a study on the quality of the drinking water to which workers have access. Two water samples were taken: one before being processed by the filter, and the other after being processed by the filtering system. The laboratory conducted all of the necessary measures to prevent contamination of the samples.

The laboratory results revealed that the water meets drinking water standards and may be consumed by the workers.

Both the union and management said actions have been implemented to improve the water quality. The filter is changed monthly. Company records indicate that the company Pure Water Systems changed the filters and cleaned the water station in January, March, April and May 2012. The records also include two reports of microbiological analysis of water quality conducted by the Laboratorio de Calidad Integral in December and March. The December sample collected was found to meet drinking water standards, as was the sample in March.

One aspect that could be improved is the distribution of water, as access is presently concentrated in one place in one side of the plant. This situation was verified during the factory tour.

Status of Corrective Action: Completed **Corrective Action Item Number 6: Water Quality**

Action 1: Attention has been given to the water filter system maintenance and water quality studies have been conducted. Currently, the water quality meets the standards for potable water. It is suggested that accessibility of water be improved by placing at least one additional source of water in the factory.

3.6 The right to vacation

80% of respondents reported that the factory is implementing measures to regularize the use of vacations, and as a result, some workers are taking vacations. However, the records are in disorder and there are no clear parameters in place for the configuration of the groups that are taking vacation. This hampered the investigation.

Some irregularities in the registration of vacations are:

- There were records showing that some workers took their vacation, but the code indicating that the worker is on vacation has not been placed correctly on the Social Security forms.
- In some months, the vacation pay has not been provided on a special payroll.

- There are listings of vacation payments that do not have the signature of the worker and do not have the dates of the vacation.
- When the vacations are reflected in the wages payroll, they are under the heading of bonus, which makes identification of the vacation difficult.
- According to the manager of the factory, it is necessary to regularize the vacations of supervisors.
- The workers are divided into groups for vacation time allotments. However, there were no parameters for selecting the people who make up the groups.
- There is no set schedule for the allocation of future vacations, although under Article 182 of the Labor Code, the employer shall provide 30 days notice of the commencement date of the worker's vacation.
- There was a worker who did not sign the list of people who had received the vacation pay, but had a separate receipt. This suggests lack of order in the payment record.

As mentioned previously, vacation records are highly confusing. While it is possible to verify for some workers that vacation pay has been received and that vacation time has been used, information was not available to be able to assess progress in the use of the right to vacation at the factory.

Status of Corrective Action: Ongoing (needs improvement)
Corrective Action Item Number 7: The right to vacation

Action 1: There is an effort by management to maintain up-to-date records of vacations. However, there are still some workers, according to the factory's manager, with respect to whom it is necessary to regularize the exercise of this right (supervisors).

Action 2: Labor policies include the regulation of vacations; however, improvement is needed in recording them and in clarifying their assignment procedures.

3.7 Payments to Social Security (ISSS) and the Pension Fund (AFP)

According to information provided by management, there are still delays regarding payment of contributions to social security and pension funds. The following chart describes the details.

ISSS documents indicate that payments have been up to 22 days late.

SOCIAL SECURITY

PERIOD	DUE	APPLICABLE PAYMENT DATE	DATE ON WHICH THE PAYMENT WAS MADE
November 2011		31-12-2011	06-01-2012
December 2011		31-01-2012	22-02-2012
January 2012		29-02-2012	07-03-2012
February 2012		30-03-2012	11-04-2012
March 2012		30-04-2012	08-05-2012
April 2012		31-05-2012	11-06-2012
May 2012		29-06-2012	It has not been paid yet

The records of the two pension funds administrators show delays in payment of contributions during most pay periods, although management is said to have an agreement with the pension fund managers. The factory manager did not have a copy of such agreement, so it was not possible to review it. Listed below are the dates of payment that correspond with applicable regulations and the dates on which payments have been made.

CRECER PENSION FUND

PAYMENT PERIOD	PAYMENT PERIOD DUE DATES	DATE ON WHICH PAYMENT WAS MADE
November 2011	1-14 December 2011	It could not be verified*
December 2011	2-13 January 2012	It could not be verified*
January 2012	1-14 February 2012	12-03-2012
February 2012	1-14 March 2012	11-05-2012
March 2012	9-18 April 2012	11-05-2012
April 2012	2-16 May 2012	30-05-2012
May 2012	1-14 June 2012	It has not yet been paid

*This information was not provided to the investigation team. The administration of the factory could not locate the information at the time of the investigation. This situation demonstrates the lack of order in the records.

CONFIA PENSION FUND

PAYMENT PERIOD	PAYMENT PERIOD DUE DATES	DATE ON WHICH PAYMENT WAS MADE
November 2011	1-14 December 2011	It could not be verified*
December 2011	2-13 January 2012	It could not be verified*
January 2012	1-14 February 2012	10-04-2012
February 2012	1-14 March 2012	10-04-2012
March 2012	9-18 April 2012	It could not be verified*
April 2012	2-16 May 2012	30-05-2012
May 2012	1-14 June 2012	14-06-2012

*This information was not provided to the investigation team. The administration of the factory could not find the information at the time of the investigation. This situation demonstrates the lack of order in the records.

Irregularities in the register of social security insurance and pension fund:

- The numbers of workers reported in the Social Security register do not match those in the Pension Fund and payroll records (this could be a function of poorly maintained administrative records).
- During the month of February, from the sample selected, 5 workers were not reported to the AFP, 5 in March and 3 in April. This meant that these persons did not receive their pension fund contributions. Management stated that this was due to an error in retrieving information from the computer system.

Additionally, 3 persons interviewed noted that delay in the payment of social security assessments caused them difficulties with their banks.

Status of Corrective Action: Pending**Corrective Action Item Number 8: Payment to social security and pension fund**

Action 1: The deadline for the payment of social insurance has not been respected fully. Delays also exist in Pension Fund payments. In the latter case, management indicated they had an agreement with the AFP that allows for this type of situation, but they were unable to produce copy of the agreement for verification. In cases where the error was in the retrieval of information from the computer system and the worker's share of the pension fund was not reported, the payment should be repaid and the overall system.

3.8 Complementary Action

The 2011 remedial plan recommended that management create a policy and a procedure for the termination of contracts, to include the procedure, conditions, and staff responsible in cases of dismissals and of retrenchment.

Status of Corrective Action: Ongoing (needs improvement)**Corrective Action Item Number 9: Complementary Action**

Action 1: Within the internal policies, there is a short paragraph that sets out benefits that arise out of the termination of contract by dismissal. However, it is necessary to expand this section, so that workers have clarity about the procedure. The factory's internal policies do not include procedures that will be applied in cases of dismissal. There is also a communication from 13 December 2011, addressed to workers, setting out the competent authorities that are allowed to carry out dismissals. However, it is important to include this information and the procedures in internal policies and also in training sessions, so that new workers also have access to this information.

4. Additional Considerations**4.1 Salary of the employees**

In the 2011 report on working conditions at Style Avenue, an additional point was made that there was an opportunity to make a salary adjustment in order to ensure that workers are able to buy all food products in the Basic Expanded Basket.

It was corroborated from interviews that workers' perceptions are that the salaries they earn are not sufficient to cover all their basic needs or to provide any discretionary income. In El Salvador, the value of the basic basket is barely exceeded by the legal minimum wage, however it is far from covering all elements of the Basic Expanded Basket.

In the case of Style Avenue, the factory complies with the payment of the legal minimum wage; however it does not satisfy the Basic Expanded Basket. Therefore, it should work with Outerstuff/College Kids to develop strategies that would help to reach a wage level that would allow the satisfaction of basic needs, including discretionary income. It should be noted that systematically, the apparel industry in El Salvador does not provide wages that allow for the purchase of the Basic Expanded Basket.

4.2 Production targets

The company has not carried out any external time and motion study since the one done for the 2011 report. Only basic analyses were made for the calculation of new bonuses, which began to be implemented around May. It is important that an outside expert study be conducted for the creation of a new bonus or a change of bonuses. While conducting this research, the investigation team requested records of individual production targets, but they were not provided, as apparently, they were not available. The company does not have a written rules and regulations determining the calculation and pay of bonuses; the only information that could be verified is that contained in posters in bulletin boards. 21% of workers interviewed told us they could not reach the daily goal during regularly-scheduled work hours.

4.3 Inconsistencies in various records

During the document review, the audit team identified some inconsistencies and disarray in payroll records. This hampered some aspects of the investigation.

- In spite of requests, the team was not provided with all the physical payrolls. For example, in January, the payrolls for lines 1 and 2 were not located by management. For March and May, the payrolls for the cleaning department workers were not found. The payroll for November 2011 was not available. This situation was due to the lack of organization in the internal records of the factory.
- The team identified 5 cases in which the payroll did not include the value of bonuses. In 2 cases, overtime pay was not included in the total payment. According to management, this is due to the necessity to extract this information and transfer it from another set of records. Factory management indicated that the payments were correct. This situation denotes the lack of organization in the internal records of the factory, creating a situation where the correct payment of workers' wages may be put at risk.

As consequence, it is important to reorganize the internal personnel records.

4.4 Food sold within the factory

It is necessary to improve the food that is sold within the factory, as workers (60% of the sample) reported that it was of poor quality and unhealthy. Some workers stated that at times, insects were found in the food.

4.5 Permits for medical appointments to social insurance for pregnant women

Permits to attend medical appointments are given to workers. However, there was a case reported regarding a supervisor hindering a factory worker's re-entry into the factory after an appointment, even though the worker had documented proof that she was at a medical appointment. This apparently happened when the employee informed the supervisor of the medical appointment without advanced notice. It is necessary to ensure that supervisors are aware of the regulations regarding medical appointments, in order to prevent what could be an isolated case from becoming a generalized practice. Therefore, it is suggested that this issue be included in the trainings that will be conducted.

5. Conclusions

The present report identifies how each of the actions of the remediation plan has been addressed. It is easy to identify those areas where there have been important advances, such as the exercise of freedom of association. On this point, the factory has not limited itself to the recommendations of the remediation plan and instead it has gone beyond, creating, together with the union, spaces for dialogue.

Nevertheless, it is still necessary to work on the remaining challenges, such as the treatment of workers; the regularization of payments of Social Security insurance; and the organization of personnel records, especially vacation records.

Summary of the Status of Findings

Corrective Action	Current Status	Obstacles
Freedom of Association	Ongoing/ Needs Improvement	
1.A Action 1: Training in labor rights for management, all supervisors, chiefs, and workers' groups (at least 40% of the plant), with special emphasis on the legal framework of freedom of association and implications of the exercising of this right.	1.B The training has started, but is still necessary to reach at least 40% of the working population. Status: Ongoing. Actions have been implemented, but they need to be improved.	1.C Some supervisors still have anti-union attitudes.
2.A Action 2: Management should create a written policy about freedom of association and post it in visible places in the different work areas. Such policy shall include the express prohibition against taking reprisals against workers affiliated with the union or union sympathizers.	2.B Internal policies of freedom of association now exist, but 78% of the workforce does not know them. Status: Ongoing. Actions have been implemented, but they need to be improved.	2.C Lack of trainings for a representative group of workers.
Work Shift Norms	Ongoing / Needs Improvement	
3.A Action 1: Management should include in its hours of work policy the following elements: (a) prohibition of night shifts that exceed 7 hours, (b) guarantee of 1 day of rest for each week of work, and (c) guarantee of at least 8 hours of rest for those workers who work night shifts, before beginning the following day's shift.	3.B Factory has written policy governing working hours, but there are still violations to the labor regulations. Status: Ongoing. Actions have been implemented, but they need to be improved.	3.C During the most critical moments of production, long shifts still occur.
4.A Action 2: Management should guarantee the usage of the electronic time tracking system at the beginning and end of night shifts.	4.B The system of recording working hours has been reviewed. However, 18% of the workers indicate that sometimes they are paid bonuses but not overtime. Status: Ongoing. Actions have been implemented, but they need to be improved.	4.C Probably peak production times give rise to this situation.
5.A Action 3: Training of supervisors, and area chiefs about the legal aspects of concern regarding work shifts: day and night shifts, as well as overtime hours.	5.B A written policy exists and 1 training has been delivered, but there are still cases of long shifts. Status: Ongoing. Actions have been implemented, but they need to be improved.	5.C Probably peak production times give rise to this situation.
Verbal Abuse and Sexual Harassment	Ongoing / Needs Improvement	
6.A Action 1: Management should reformulate its policy on the prohibition of abuse and harassment, establishing that there is "zero tolerance" for this type of conduct.	6.B The company has a policy regarding verbal abuse and harassment; however, verbal abuse cases continue. Status: Ongoing. Actions have been implemented, but they need to be improved.	6.C Some supervisors still engage in verbal abuse.
8.A Action 3: Management should design a confidential	8.B Factory has established a suggestion	8.C Probably, factory management does not

complaint mechanism to receive sexual harassment complaints.	box mechanism, but there is no special mechanism for reporting abuse and sexual harassment. Status: Ongoing. Actions have been implemented, but they need to be improved.	know the procedure for creating a special mechanism and needs to look for technical assistance.
9.A Action 4: As a form of carrying out the former action, management should design a procedure to investigate and process sexual harassment complaints.	9.B A formal mechanism for the investigation and prosecution of sexual harassment was not found. Status: Pending. There is no improvement.	9.C Probably, factory management does not know the procedure for creating a special mechanism and needs to look for technical assistance.
10.A Action 5: Management should guarantee the application of disciplinary actions pertinent to cases of abuse and harassment.	10.B There was implementation of disciplinary measures in cases of verbal abuse. However, the action was insufficient, as cases of verbal abuse still remain. Status: Ongoing, Actions have been implemented, but they need to be improved.	10.C Some supervisors still engage in verbal abuse.
11.A Action 6: Supervisors and a group of workers will be trained to a) identify the conducts that constitute sexual harassment and verbal abuse and b) adequately apply disciplinary norms.	11.B Trainings have been delivered, but they have only reached 10% of the workforce. It is necessary to include the use of the suggestion box in the training topics. Status: Ongoing. Actions have been implemented, but they need to be improved.	11.C According to factory management, trainings have stopped, because they have been in moments of high production.
Excessive Temperature in Production Plant	Pending	
12.A Action 1: Management should implement improvements to the ventilation system in the production plant. It is necessary to commission a study to identify the locations where it would be possible to hang additional fans.	12.B An extra fan has been fixed; however, the plant still reports high temperatures. Status: Pending.	12.C Lack of measures to ventilate the plant.
Water Conditions	Completed	
13.A Action 1: Management should implement changes to the water supply system for workers. It is urgent to review the filtering system to identify the failures in water purification. If these failures cannot be immediately corrected, the water supply source should be changed.	13.B Attention has been given to the water filter system and quality studies have been made. Status: Completed.	
Right to Vacations	Ongoing / Needs Improvement	
14.A Action 1: Management should catch up with pending vacation payments.	14.B There is an effort by management to maintain up-to-date vacation payments. However, some supervisors still need to take vacations. The vacation records are highly confusing, making it	14.C Lack of enough supervisors and high production levels have not allowed all supervisors to take vacations.

	<p>impossible to understand the scope of the exercise of this right.</p> <p>Status: Ongoing. Actions have been implemented, but they need to be improved.</p>	
<p>15.A Action 2: Management should create a policy relative to the right to take vacations which mentions, in an explicit way, the right to rest and the prohibition of alternative compensation in the form money or any financial offering.</p>	<p>15.B Labor policies include the regulation of vacation.</p> <p>Status: Completed.</p>	
Delay in Security and Social Welfare Payments	Pending	
<p>16.A Action 1: Management should respect the time frames previously published for the payment of social and provisional fees.</p>	<p>16.B There are still cases where the payment of social and pension funds have not been respected fully. Apparently the factory has an agreement with the pension fund carriers (this could not be verified). Besides, there were errors in the retrieval of information from the computer system that in 3 months caused 3 to 5 workers to not receive payment of the pension fund.</p> <p>Status: Pending</p>	<p>16.C The payment is not on time.</p>
Complementary Action	Ongoing / Needs Improvement	Obstacles
<p>17.A Management should create a policy and procedure about termination that includes procedure, conditions, and personnel responsible in cases of firings or layoff.</p>	<p>17.B The factory's internal policies do not include procedures that will be applied in cases of dismissal. However, a communication has been sent to the workforce to inform them of the staff members that are able to dismiss workers.</p> <p>Status: Ongoing. Actions have been implemented, but they need to be improved.</p>	<p>17.C Lack of policies regarding the issue.</p>

Note: Additional research findings have not been included in the chart, as they are not part of the original remediation plan; however, they can be found in the report.