



COMPANY: **Delta Apparel, Inc**  
COUNTRY: **Dominican Republic**  
ASSESSMENT DATE: **10/15/15**  
MONITOR: **FLA Assessor Team (Americas)**  
PRODUCTS: **Apparel**  
PROCESSES: **Cut, Sew, Packing**  
NUMBER OF WORKERS: **500**  
NUMBER OF WORKERS INTERVIEWED: **24**  
ASSESSMENT NUMBER: **AA0000001896**

## FLA Comments

FLA Comment: A corrective action plan was submitted for this report to the FLA by the FLA affiliated company. This correction action plan was reviewed by the FLA. However, despite deadline reminders and extensions for submission of a revised corrective action plan, the FLA has not received a response to its requests for revisions. Therefore, the report is posted in its current state and will be updated once a revised corrective action plan has been submitted to and reviewed by the FLA.

## What's Included in this Report

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# Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

## Glossary

**De minimis:** A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

**Facility performance:** how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

**Fair labor standards:** the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

**Employment life cycle:** all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

**Code violation:** failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

**Employment Functions:** The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

**Management functions:** violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

**Finding:** indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

**Finding type**

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute

an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

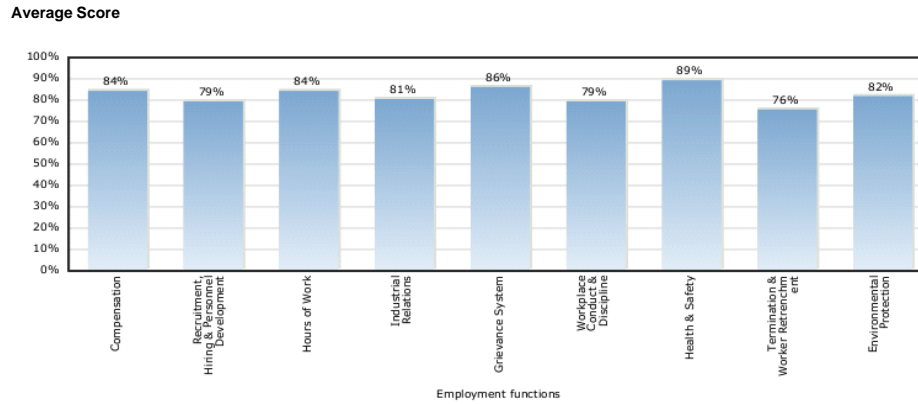
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

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

# Factory Profile

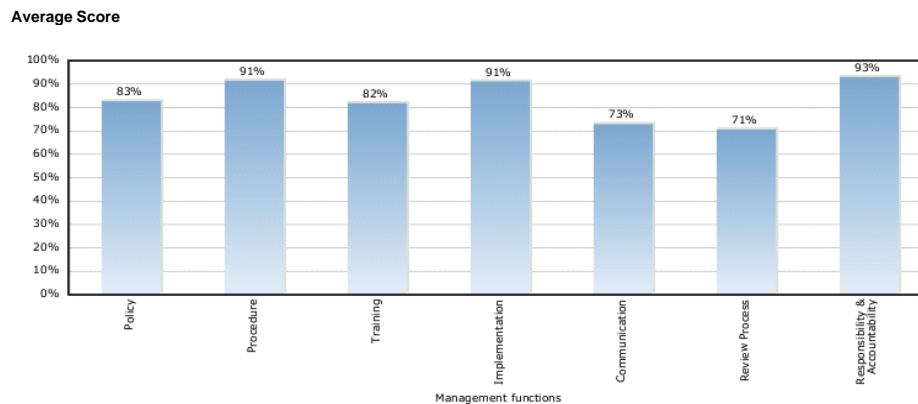
## Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



## Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



## Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	80%	100%	100%	91.75%	91.67%	91.67%	80%	100%	83.33%
Procedure	89%	100%	100%	100%	100%	83.33%	75%	96.55%	60%
Responsibility & Accountability	75%	75%	83.33%	55.67%	75%	75%	75%	66.67%	66.67%
Review Process	0%	100%	100%	0%	100%	0%	0%	100%	100%
Training	73.08%	100%	100%	100%	100%	25%	33.33%	98.46%	100%
Implementation	89.31%	93.75%	86%	90%	100%	100%	100%	89.52%	89.5%
Communication	66.67%	75%	50%	100%	100%	75%	33.33%	100%	100%

## 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	Violations
Compensation	3	General Compliance Compensation Workers Awareness and Understanding of Compensation Calculation Basis for Overtime Payments
Employment Relationship	14	General/Human Resource Management Systems Terms and Conditions/New Employee Orientation Terms and Conditions/Communication Terms and Conditions/Supervisor Training Administration of Compensation/Termination Payouts General/Documentation and Inspection Administration of Fringe Benefits/Holidays, Leave, Legal Social Benefits and Bonuses Administration of Hours/Time Recording System Industrial Relations Work Rules and Discipline Skills Development/Management of Performance Reviews Skills Development/Promotion, Demotion and Job Reassignment Health, Safety, and Environmental Management System/Policies and Procedures Termination and Retrenchment/General Policies and Procedures
Hours of Work	3	General Compliance Hours of Work Annual Leave Annual Leave/Wage Payments
Health, Safety and Environment	5	General Compliance Health, Safety, and Environment Material Safety Data Sheets/Workers Access and Awareness Ergonomics Sanitation in Workplace Facilities Evacuation Requirements and Procedure

## Findings and Action Plans

### FINDING NO.1

#### RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. Management does not have written policies and procedures on personnel development regarding ongoing training for workers with the purpose of broadening their skills to advance their careers in the factory.
2. There are no written policies or procedures on performance reviews for production workers, including the steps and process linked to job grading and promotional opportunities.
3. There are no policies and procedures on promotion, demotion, and job reassignment.
4. The factory does not provide any written documentation of the outcome of promotion, demotion, or reassignment decisions to workers.
5. Since the factory does not have personnel development policies and procedures, these are not included in the orientation training to new workers.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.15.1, ER.28.1, ER.29.1, and ER.30.1)

## FINDING NO.2

### RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

#### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. The factory does not have job descriptions for production positions.
2. The employment application form requests information related to applicants' gender and number of dependent children, which may lead to discrimination during the recruitment process. Although there is no evidence that such information is requested with discriminatory intent, the factory management should collect this data only after the applicant has been hired.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.3.2; Nondiscrimination Benchmark ND.2.1)

## FINDING NO.3

### COMPENSATION

#### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. The electronic bank account system used by the factory for paying vacations to workers in 2014 automatically eliminated the cents; therefore, workers did not receive the full payments they were entitled to, even though the pay slips reflected the correct amount. The amount was always rounded down, e.g. 20.99 became 20.00.

#### Local Law or Code Requirement

Labor Code, Article 177, Section 1; FLA Workplace Code (Employment Relationship Benchmark ER.22.2; Hours of Work Benchmarks HOW.11 and HOW.14; Compensation Benchmarks C.1 and C.5)

#### Recommendations for Immediate Action

1. Modify the electronic bank account system used for paying vacations to workers, to ensure they received full payment, as legally required.
2. Retroactively pay workers the owed amounts of vacation payments corresponding to 2014.

## FINDING NO.4

### HOURS OF WORK

#### FINDING TYPE: Immediate Action Required

### Finding Explanation

1. The factory does not pay overtime to piece-rate production workers when they work beyond regular working hours in order to reach production goals. Even though the payroll system apparently includes a column for overtime payments, this payment is not actually distributed since it is deducted from the production bonus payment.
2. The factory does not ensure that lactating women receive their right to three daily rest periods of 20 minutes each to breast-feed their newborns as legally required.
3. Not all workers punch-in and punch-out the starting and ending working time, specifically those workers in the Quality Inspection and Maintenance Departments, and mechanics. Hence, there are no Hours of Work records available for these workers. Factory management stated that these workers are considered fixed salary workers. Thus, according to factory management it is not relevant to keep time records since they are not eligible for a production bonus.

### Local Law or Code Requirement

Labor Code, Articles 158, 203, and 240; FLA Workplace Code (Employment Relationship Benchmarks ER.2.1 and ER.23.3; Hours of Work Benchmark HOW.1.1; Compensation Benchmarks C.1, C.7, C.7.1, and C.7.2, Nondiscrimination Benchmark ND.8.1)

### Recommendations for Immediate Action

1. Compensate all workers for all hours worked, including overtime at the legally defined overtime rate of additional 35% of the cost of the regular working hour.
2. Provide lactating workers with the legally required breaks for breastfeeding their newborns.
3. Ensure that all workers from all production areas register their starting and ending working hours in order to ensure accurate working hour records.

## FINDING NO.5

### TERMINATION & RETRENCHMENT

#### FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. The factory does not have Termination & Retrenchment procedures that include: steps to determine termination payouts, including methods for the correct assessment of payouts for all modes of Termination & Retrenchment, communication and consultation with workers' representatives in cases of retrenchment before reaching a final decision on layoff with the purpose of averting or minimizing the effects of the layoff; a mechanism that allows workers to report any concerns or problems they may experience with regard to legally owed payments during a retrenchment process.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.19.1, ER.19.2, ER.25.3, and ER.32.3)

## FINDING NO.6

### WORKPLACE CONDUCT & DISCIPLINE

#### FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. The disciplinary procedures do not include: a process to allow workers to appeal disciplinary actions taken against them, the ability of workers to have a third party witness during the imposition of disciplinary actions, and the review of disciplinary actions by someone in a senior position of the one who imposed the disciplinary action.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27.2.1 and ER.27.4)

## FINDING NO.7

## ENVIRONMENTAL PROTECTION

### FINDING TYPE: Sustainable Improvement Required

#### Finding Explanation

1. The factory's environmental protection policy does not have a commitment to minimize environmental impacts with respect to energy, air emissions, water, waste, and hazardous materials.
2. The factory does not have procedures covering the following: how workers can raise environmental concerns, and how workers can report environmental emergencies.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31.2.4, ER.31.2.5, and ER.31.3)

## FINDING NO.8

## HEALTH & SAFETY

### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. The factory does not have a procedures covering on how workers can raise Health & Safety concerns.
2. One forklift at the row material warehouse does not have a safety belt.
3. The Material Safety Data Sheets (MSDS) of the adhesive chemical handled by workers from the Cutting department is not available at the workstation.
4. Boxes containing finished goods at the shipping warehouse are piled in an unsafe manner: they are piled so high they are almost touching the ceiling lamps.
5. The factory has not implemented ergonomic adjustments to manage risks for workers in the Ironing and Quality Inspection departments. These workers remain standing-up during their whole shift, which only includes one 30-minute break for lunch. Also, the factory has not adjusted the height of tables according to the workers' height in the Quality Inspection department. The factory does not provide ergonomic breaks for workers at the different departments.
6. There is an emergency exit route at the finished goods warehouse that leads workers a different direction from the actual evacuation route and emergency exit.
7. Factory management does not ensure that regular cleaning is conducted at the eating area in Plant 1 (sewing production lines). The physical inspection found that the upper windows of the eating area were full of tiny fabric particles, posing a potential risk for workers' health. Additionally, there were no records of window-cleaning available onsite.

#### Local Law or Code Requirement

Health and Safety Regulations at the Workplace, Article 15.2; General Conditions related to Health and Safety at the Workplace, Articles 1.1 and 1.38; FLA Workplace Code (Employment Relationship Benchmark ER.31.2.4; Health, Safety, & Environment Benchmarks HSE.1, HSE.2, HSE.5.1, HSE.10.1, HSE.14.1, HSE.17.1, and HSE.19)

#### Recommendations for Immediate Action

1. Ensure that secure loading/shipment practices are carried out at the warehouse. Ensure that boxes with finished goods are placed a safe distance away from the roof lamps.
2. Adjust the height of tables for the packing workers in order to mitigate the risk of muscle-skeletal injuries.
3. Ensure that the upper windows in the eating area are kept clean at all times.
4. Ensure that all emergency exits available at the finished good warehouse are properly marked, including marks for the correct evacuation routes.
5. Equip the forklift at the row material warehouse with a seatbelt.
6. Ensure that the Material Safety Data Sheet (MSDS) of the adhesive chemical used in the Cutting department is available to workers at this work area.

## FINDING NO.9

## POLICIES & PROCEDURES (MACRO)



## FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. The factory does not have written policies for the following Employment Functions: Recruitment & Hiring, Termination & Retrenchment, Industrial Relations, and Workplace Code & Discipline. Additionally, the factory has an open door policy, but an integrated policy governing the entire grievance system is missing.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.25.2, and ER.32.1)

## FINDING NO.10

### TRAINING (MACRO)

## FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. The factory does not provide ongoing training to supervisors on the following Employment Functions: Recruitment, Hiring, & Personnel Development, Termination & Retrenchment, Industrial Relations & Freedom of Association, and Workplace Code & Discipline. Human resources team and other managerial positions do not receive training on discipline.
2. The factory does not provide ongoing training to workers on the following Employment Functions: Recruitment, Hiring, & Personnel Development, Termination & Retrenchment, Industrial Relations & Freedom of Association, and Workplace Code & Discipline.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.2, ER.17.1, ER.17.3, ER.26, and ER.27)

## FINDING NO.11

### REVIEW PROCESS (MACRO)

## FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. The factory does not conduct a periodic review and update of policies and procedures for the following Employment Functions: Recruitment, Hiring, & Personnel Development, Termination & Retrenchment, Industrial Relations & Freedom of Association, and Workplace Code & Discipline.

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1.1, and ER.30.2)

## FINDING NO.12

### WORKER INTEGRATION & COMMUNICATION (MACRO)

## FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. The factory does not provide regular communication to workers on the following Employment Functions: Recruitment, Hiring, & Personnel Development, Wages & Benefits, Hours of Work, Termination & Retrenchment, Industrial Relations & Freedom of Association, and Workplace Code & Discipline.

2. The Worker Integration component is missing from all Employment Functions. The factory does not have policies and procedures to receive worker input/feedback on the creation, implementation, and revision of its policies and procedures. Also, workers are neither systematically integrated nor consulted in the decision-making processes.
3. The factory has not provided workers with the opportunity to participate in the design and implementation of preventive measures on Health & Safety, nor consulted workers during the risk analysis, as legally required.

Local Law or Code Requirement

Health and Safety Regulations at the Workplace, Article 4.2; FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.1.3, ER.16.1, ER.25.1, ER.25.2, ER.27.3, ER.29.1.1, and ER.30.2; Compensation Benchmark C.17.1)