

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**09 Aug 2021**



## Factory Information

FLA Affiliates	Hybrid Apparel
Country	Mexico
Number of Workers	185

## Understanding this Report

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.

## FLA Code Element

## Number of Violations

Employment Relationship (ER)	5
Freedom of Association & Collective Bargaining	1
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	6

## Assessment Information

Assessor	VeLar International
Assessment Date	09 Aug 2021
Assessment Purpose	Factory Assessment (Virtual Compliance Check)



## ASSESSMENT RESULTS

### Employment Relationship (ER)

Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	The factory's termination procedure only considers an employee's resignations and individual dismissals. There is no information on mass retrenchment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The company does not have policies, procedures, or programs that encourage employees to receive ongoing training to increase their knowledge or skills in order to advance their careers.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	The Internal Promotion Policy does not outline the evaluation process, including how, by whom, and when employees are evaluated. Also, there is no protocol on how to deliver feedback or receive employee feedback on the process. The policy also does not mention how it ensures non-discrimination or non-retaliation during the process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	The company provided evidence of training on the code of conduct, including attendance records and training contents, but interviewed employees were not able to explain the company policies.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.4
Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The factory's internal rules handbook and disciplinary protocols do not include an employee's right to an appeal channel or to have a third-party witness present during the imposition of disciplinary actions. During the interviews, employees declared they have not been subjected to any arbitrary disciplinary actions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### **Freedom of Association & Collective Bargaining**

Benchmark ID	FOA.19.3
Benchmark Details	Where a union exists in the workplace, employers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.
Finding Details	Employees have not received a copy of the collective bargaining agreement. In addition, during all the employee interviews, employees were not aware of the collective bargaining agreement or the labor union.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Artículo 509 de la Ley Federal del trabajo Cláusula XXX.

### Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.15
Benchmark Details	Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.
Finding Details	There is no specific area in the building for union representatives to attend to employees' concerns.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

### Health, Safety And Environment (HSE)

Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	Three out of four toilet paper dispensers outside the toilets area were empty and the factory confirmed that they do not provide toilet paper in the factory.

Recommendation for Immediate Action	Provide toilet paper considering the number of employees.
Compliance Classifications	Immediate Action Required
Local Law	Ley Federal del Trabajo Artículo 18 Inciso IX.
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	During the factory tour, assessors noted that 30 out of 60 sewing machines were out of service. The factory stated that these machines were damaged. This equipment was neither signaled nor restricted.
Recommendation for Immediate Action	Reinstall the machinery that can be used and disconnect and segregate the sewing machines that are out of service. For the out-of-service equipment, install identification labels and restriction devices.
Compliance Classifications	Immediate Action Required
Local Law	Norma Oficial Mexicana NOM-004-STPS-1999 Artículo 7.2.2 inciso C apartados 4,5 y 6.
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	During the factory tour, there was not a fire extinguisher in the waste warehouse.
Recommendation for Immediate Action	Install all necessary fire extinguishers in the facilities. Keep them signaled and free from obstruction.

Compliance Classifications	Immediate Action Required
Local Law	Norma Oficial Mexicana NOM-002-STPS-2010 Cláusula 5.10.
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. During the factory tour, an employee near the maneuvering yard was completing a task at heights without the required equipment inspection or written authorization. The authorization form is supposed to be signed after the equipment is inspected. 2. The factory does not have a written protocol for secure operation of the forklift.
Recommendation for Immediate Action	1. Develop a procedure for working at heights in accordance with local law. 2. Develop a written protocol for the secure operation of the forklifts.
Compliance Classifications	Immediate Action Required
Local Law	Norma Oficial Mexicana NOM-009-STPS-2011 Cláusula 5.3, Cláusula 5.1.
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	During the factory tour, three out of ten employees in the packaging area were wearing tennis shoes instead of safety shoes. The factory provides employees with safety shoes, but does not enforce them wearing these shoes.
Recommendation for Immediate Action	Train packaging employees on the proper use of the PPE, the security requirements, and the benefits of using safety shoes. Train the supervisors to monitor and require PPE use.

Compliance Classifications	Immediate Action Required
Local Law	Norma Oficial Mexicana NOM-017-STPS-2008 Cláusula 5.7.
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	The factory has not developed the legally required analysis of ergonomic risk factors from manually handling materials.
Recommendation for Immediate Action	Develop and conduct this risk analysis in accordance with legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	Norma Oficial Mexicana 036-STPS-2018 cláusula 5.1.

