

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

08 Sep 2021



Factory Information

FLA Affiliates	Fanatics Apparel LLC
Country	Mexico
Number of Workers	815

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

Compensation (C)	1
Employment Relationship (ER)	3
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	6
Hours Of Work (HOW)	1
Nondiscrimination (ND)	1

Assessment Information

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Assessment Date	08 Sep 2021
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Assessment Purpose	Factory Assessment (Virtual Compliance Check)
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	The overtime rate is based on the daily wage, but it does not consider all salary components such as incentives, attendance, or punctuality bonus. During the following periods, employees worked overtime and received at least one bonus (punctuality, attendance, or incentive) that was not considered in their overtime wage: From November 30th to December 6th, 2020, a total of 11 out of 35 employees worked overtime for 6-10 hours. From December 7th to 13th, 2020 a total of 9 out of 35 employees worked overtime for 4-10 hours. From December 14th to 20th, 2020 a total of 8 out of 35 employees worked overtime for 2-10 hours. From March 29th to April 4th, 2021 a total of 3 out of 35 employees worked overtime for 1- 9 hours. From April 5th to 11th, 2021 a total of 7 out of 35 employees worked overtime for 2-10 hours. From August 2nd to 8th, 2021 a total of 11 out of 35 employees worked overtime for 1-10 hours. From August 9th to 15th, 2021 a total of 9 out of 35 employees worked overtime for 1-10 hours.
Recommendation for Immediate Action	Ensure to include all employees' types of salary components as part of the hourly wage for the overtime payment calculation.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law articles 67 and 68.

Employment Relationship (ER)

Benchmark ID	ER.11.5
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Benchmark Details	Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: personnel files and all relevant employment information for contract/contingent/temporary workers are maintained and accessible at the workplace site, at all times.
Finding Details	It was noted that employees' labor contracts (the complete scope) is missing on the following information required by law: CURP (National Citizen Number), RFC (Tax number), and beneficiaries in case of death.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Federal Labor Law article 25 clauses I and X.
Benchmark ID	ER.18.1
Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	The Internal Rules Handbook established the disciplinary sanctions for each violation, and the disciplinary act includes a section for employees' comments; however, the disciplinary procedure does not consider the handling protocol for employees' appealing comments, or how it will ensure they are analyzed and reviewed by a third party, if applicable.
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 factory is missing a continuous program to develop employees' skills and prepare them for better opportunities. It is also missing a performance review system that allows employees to receive feedback and improve their development for better opportunities.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Harassment Or Abuse (H/A)

Benchmark ID	H/A.5
Benchmark Details	Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.
Finding Details	During the worker interviews, employees from the cutting and spreading department shared that the supervisor does not always treat them with respect and consideration and uses rude language. There are no reports that the supervisor is physically abusive. There are also no reports of injustice sanctions or unjustified labor assignments are conducted by this supervisor.
Recommendation for Immediate Action	1. Complete an internal investigation to determine if there are other areas with the same situation. 2. Deliver training to all supervisors to develop their leading skills and make sure they internalize the company COC.

Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law article 132 point VI.
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.5.1.3
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of emergency lighting
Finding Details	There is no emergency lighting in the entrance to the security guards' booth and recycling warehouse.
Recommendation for Immediate Action	Install emergency lights in all facility areas along the evacuation route.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 point 7.2.
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	1. It was confirmed that food is prepared in the canteen. The factory did not present the phytosanitary tests for personnel prepping food (a medical examination to certify that personnel handling food does not have a food borne illness or other illness that can contaminate food). The canteen is also missing the salubrity license which is a health license that allows activities related to human health to be conducted in the factory, such as food handling. 2. The canteen area is not clean or in order.

Recommendation for Immediate Action	1. Perform the phytosanitary tests of the personnel and ensure only approved personnel prepares the food; and obtain the canteen's salubrity licensee. 2. Ensure the canteen is clean and orderly at all times.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-251-SSA1-2009.
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	The electrical switchboard of the security guard booth is not identified with the voltage level and the hazardous signs.
Recommendation for Immediate Action	Ensure all electrical switchboards are always identified and with the corresponding hazardous signs.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-029-STPS-2005 Point 8,2 (b).
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	In the fabric warehouse, a forklift is missing the fire extinguisher and one front light.
Recommendation for Immediate Action	Ensure all forklifts are always equipped with the necessary safety devices.
Compliance Classifications	Immediate Action Required

Local Law	Mexican NOM-006-STPS-2014 Point 7.8.5.1
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	1. There is no first aid kit at the entrance of the security guards' booth. 2. There is no smoke detector at the recycling warehouse and the entrance of the security guards' booth. 3. There is no firefighting equipment at the recycling warehouse.
Recommendation for Immediate Action	1. Install first aid kits with the required supplies throughout the facility. 2. Install smoke detectors in all required areas and complete periodic inspections. 3. Install firefighting equipment in all facility areas in accordance with the number and distribution required by the NOM.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 points 5.7 and 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. The company has not completed the follow-up process for the psychosocial risk factors identified in the internal assessment. 2. The factory has not delivered training to employees on the risks of glare or poor lighting.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	NOM-035-STPS-2018; NOM-025-STPS-2008 point 5.8

Hours Of Work (HOW)

Benchmark ID	HOW.11.1
Benchmark Details	Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.
Finding Details	There is no clarity in the employees' vacation records. It was not possible to confirm that all employees received the complete number of vacation days they are entitled to. The workers are entitled to receive vacation within the period established by the law (the Federal Labor Law establishes a period of six months after the employee's anniversary to enjoy their complete vacation period).
Recommendation for Immediate Action	Ensure employees' vacation records clearly reflects the number of days they are entitled to and the number of days they have taken vacation.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law articles 76, 79 and 81.

Nondiscrimination (ND)

Benchmark ID	ND.3
Benchmark Details	Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.
Finding Details	The company procedures establish that only aspirants with at least 18 years old will be hired. There are no young workers at the company. However, the Mexican regulation allows hiring personnel of 15-year-old with a parents' or union authorization and over 16 years old without this authorization as long as the company follows specific requirements for the hiring and working conditions.

Recommendation for Immediate Action	Ensure to avoid any discriminatory practice during the hiring process and give equal opportunities to all aspirants, only based on their skills and knowledge.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 3.

