

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

04 Nov 2021



Factory Information

FLA Affiliates	League Collegiate Wear, Inc. (
Country	Guatemala
Number of Workers	210

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)	9
Forced Labor (F)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	7
Hours Of Work (HOW)	4

Assessment Information

Assessor	Francisco Chicas
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Assessment Date	04 Nov 2021
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Assessment Purpose	Factory Assessment (Virtual Compliance Check)
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	1. The factory has not established a childcare facility at place, as legally required. Alternatively, the factory has not signed an agreement with external childcare centers for workers to use their services instead. 2. Rest day payments are completely deducted in cases of late arrival, or in cases where workers do not show up without just cause (in normal worked days). These deductions constitute disproportional monetary penalties, as the amount deducted does not correspond to the specific time the workers were off; instead, the total payment of rest day is deducted. The factory management committed to stop implementing these disproportional deductions in the next fortnightly period after the assessment.
Recommendation for Immediate Action	Stop the practice of implementing deductions of the total payment of rest days when workers do not show up to work, or when they show up late without a just cause.
Compliance Classifications	Immediate Action Required
Local Law	1. Labor Code, Article 155. 2. Labor Code, Article 60 section e).

Employment Relationship (ER)

Benchmark ID	ER.1.2
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Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	1) Regular formal and complete training on policies and procedures is not provided to the workers and supervisors; instead, workers and supervisors receive short talks that last around 15 minutes, which are delivered nearby the production areas. As a result, workers are not receiving detailed explanations on the different topics covered. 2) Despite the 15-minute talks provided to new workers and the ongoing short talks provided to the regular workers, the assessors noted that the majority of workers were missing knowledge on their rights to freedom of association and collective bargaining.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	Regular formal and complete training on policies and procedures is not provided to the workers and supervisors; instead, workers and supervisors receive short talks that last around 15 minutes, which are delivered nearby the production areas. As a result, workers are not receiving detailed explanations on the different topics covered.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
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	There are no procedures on Retrenchment.
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	There are no policies and procedures on performance review.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8

Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	There are no policies and procedures on promotion, demotion and reassignment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	1) The factory is missing a permit for operating a biomass boiler, which was installed in August 2019. Based on management interview, the factory is in the process of obtaining such a permit. Also, the environmental licensee has not been updated to include: i) the biomass boiler operation, and, ii) the actual number of workers. 2) The factory is missing the health licensee required by law. The same permit is missing for the factory's clinic operation.
Recommendation for Immediate Action	1) Complete the process for obtaining the permit for operating the biomass boiler. Update the environmental licensee to include: i) the biomass boiler operation, and, ii) the actual number of workers. 2) Start the process for obtaining the permit for clinic operation.
Compliance Classifications	Immediate Action Required

Local Law	1) Decree 109-83, Article 01; Decree 109-97, Articles 3 and 18; Governmental Agreement 522-99, Articles 8 and 14; Law on Protection and Improvement of Environment, Art. 08. 2) Health Code, Article 121.
Benchmark ID	ER.3.1
Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	1) The assessors found that the orientation training is a 15-minute talk, in which HR staff or factory nurse talk about discrimination, forced labor, sexual harassment, grievance system, disciplinary process, restroom location and evacuation routes. These short talks are performed individually or in small groups of five to seven workers. However, there is no formal and complete orientation training with new workers that provides detailed explanations on the different topics covered. 2) Orientation training does not include Termination & Retrenchment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.

Finding Details	Management explained they have conducted some specific consultations such as the type of music workers would like to hear; however, there is no formal system (policy and procedure) or regular practice to consult workers and to integrate them in the decision-making process of aspects concerning workplace and working conditions.
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	Disciplinary procedure does not include an appeal process and workers' rights to bring witnesses during the imposition of disciplinary actions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Forced Labor (F)	
Benchmark ID	F.7.1.3

Benchmark Details	Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any worker's freedom of movement, or ability to terminate their own employment, or that create a threat of penalty. Examples of such practices include, but are not limited to imposing financial penalties.
Finding Details	Rest day payments are completely deducted in cases of late arrival, or in cases where workers do not show up without just cause (in normal worked days). These deductions constitute disproportional monetary penalties, as the amount deducted does not correspond to the specific time the workers were off; instead, the total payment of rest day is deducted. The factory management committed to stop implementing these disproportional deductions in the next fortnightly period after the assessment.
Recommendation for Immediate Action	Stop the practice of implementing deductions of the total payment of rest days when workers do not show up to work, or when they show up late without a just cause.
Compliance Classifications	Immediate Action Required
Local Law	Labor Code, Article 60 section e).

Harassment Or Abuse (H/A)

Benchmark ID	H/A.10.1.3
Benchmark Details	Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

Finding Details	Workers entering and leaving the factory pass through an inspection conducted by the factory guards, which includes inspection of bags and inspection of apron's bags. This procedure is implemented with gender segregation: female guards for female workers and male guards for male workers. The procedure is implemented at the factory entrance, where all workers make a line and pass through the check. The assessors randomly checked camera records of previous days to the assessment to observe how this procedure is implemented, and from four dates selected, it was noted that guards were only inspecting workers' bags and apron's bags; however, from worker interviews, the assessors found that in some occasions, some guards have touched some parts of the body like hips and sides of the stomach, which is not the regular factory's procedure.
Recommendation for Immediate Action	Ensure that guards properly implements the bag searches, by avoiding touching parts of the workers' bodies.
Compliance Classifications	Immediate Action Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	The facilities has two emergency exits located at the front of the building; however, there are no alternative emergency exits at the back of the building, which exposes a high risk for workers to be unable to leave the building if a fire starts in the front of the building.

Recommendation for Immediate Action	Install additional emergency exit at the back of the building.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Art. 72.
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	From a total of seven Heat Transfer machines, three machines were found with not functional safety buttons (double-button system), and one was missing the double-button safety system.
Recommendation for Immediate Action	Equip all heat transfer machines with the double-button safety system, and ensure this system is working at all times.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Arts. 434.
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) During the observation tour, the assessors found one gallon of peroxide expired; it had expired in July 2021. 2)The factory is using saline solution bottles that require syringe application instead of using eyewash station or eyewash bottles, at the Chemical Warehouse. The current factory's mechanism would not be effective in case of chemical spillage at workers' face and/or eyes.

Recommendation for Immediate Action	1) Replace the expired peroxide by a new one with valid expiration date. 2) Install an eyewash station or use eyewash bottles at the Chemical Warehouse, instead of the current saline solution
Compliance Classifications	Immediate Action Required
Local Law	Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Art. 304.
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	1) The factory is missing a permit for operating a biomass boiler, which was installed in August 2019. Based on management interview, the factory is in the process of obtaining such a permit. Also, the environmental licensee has not been updated to include: i) the biomass boiler operation, and, ii) the actual number of workers. 2) The factory is missing the health licensee required by law. The same permit is missing for the factory's clinic operation.
Recommendation for Immediate Action	1) Complete the process for obtaining the permit for operating the biomass boiler. Update the environmental licensee to include: i) the biomass boiler operation, and, ii) the actual number of workers. 2) Start the process for obtaining the permit for clinic operation.
Compliance Classifications	Immediate Action Required
Local Law	1) Decree 109-83, Article 01; Decree 109-97, Articles 3 and 18; Governmental Agreement 522-99, Articles 8 and 14; Law on Protection and Improvement of Environment, Art. 08. 2) Health Code, Article 121.
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, the assessors found one worker who operates up to three thread-winding machine at the Accessories Warehouse, located one next to each other, without wearing PPE (earplugs); however, the factory has not assessed whether the noise levels are under the legal limits. As a result, the factory has not determined whether the worker should be wearing hearing protection or not. 2) The factory does not provide training to H&S Committee members on identification of occupational risks, so they can properly execute their functions as Committee members. 3) There are no barriers or separators at the eating area, where workers do not keep the social distance required by law, which is 1.5 meters between each other.
Recommendation for Immediate Action	1) Assess whether hearing protection is needed by the worker operating the thread-winding machines. 3) Install barriers or separators at tables of the eating area, as legally required.
Compliance Classifications	Immediate Action Required
Local Law	1) Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Arts. 182, 191 and 192. 2) Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Art. 5 sections b) and g). 3) Governmental Decree N° 79-2020), Art. 3 section a
Benchmark ID	HSE.18.3.1
Benchmark Details	Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner.
Finding Details	During the observation tour, the assessors found one gallon of peroxide expired; it had expired in July 2021.
Recommendation for Immediate Action	Replace the expired peroxide by a new one with valid expiration date.
Compliance Classifications	Immediate Action Required

Local Law	Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Art. 304.
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	1) The boiler operator is missing body protection (boiler suit) to prevent potential burns.
Recommendation for Immediate Action	1) Provide boiler operator with boiler suit to prevent the risk of burning.
Compliance Classifications	Immediate Action Required
Local Law	1) Occupational Health and Safety Regulations (Governmental Decree N° 229-2014), Arts. 231 and 237.

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	The assessors found that workers can start working before the designated starting time after lunch break. Many interviewed workers commented they are able to return up to work 30 minutes before the 1-hour lunch break ends. Even when workers voluntarily return to their work stations before the designated lunch break ends, this practice constitutes off-the-clock work that is not recorded or compensated as overtime, as legally required.
Recommendation for Immediate Action	Avoid that workers start working before the designated lunch break ends.

Compliance Classifications	Immediate Action Required
Local Law	Labor Code, Art. 121.
Benchmark ID	HOW.15
Benchmark Details	Employers shall not impose any sanction on workers for requesting or taking any type of leave, such as annual, sick, or maternity, in line with all applicable rules and procedures.
Finding Details	Workers have not been provided with full vacation (annual leave), as legally required. By law, workers completing one year of service are entitled to 15 days of vacation (days off with payment of salary). However, the assessors found that during last year, most of workers have not been provided with such vacation days, and in many cases, the workers have even accumulated vacation days from the previous three years.
Recommendation for Immediate Action	Provide workers with the full vacation days they are entitled to, including all previous years of service since their date of employment start.
Compliance Classifications	Immediate Action Required
Local Law	Labor Code, Articles 130, 132 and 133.
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	Workers have not been provided with full vacation (annual leave), as legally required. By law, workers completing one year of service are entitled to 15 days of vacation (days off with payment of salary). However, the assessors found that during last year, most of workers have not been provided with such vacation days, and in many cases, the workers have even accumulated vacation days from the previous three years.

Recommendation for Immediate Action	Provide workers with the full vacation days they are entitled to, including all previous years of service since their date of employment start.
Compliance Classifications	Immediate Action Required
Local Law	Labor Code, Articles 130, 132 and 133.
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	Assessors reviewed a sample of hours of work records of eight production workers, corresponding to the fortnightly period May 01-15, 2021; from this review, the assessors found that in four cases hours of work records exceeded the 60 working hours limit per week; the work in excess of this limit was found in the week May 10-15. In average, these four workers worked 65 hours during this period. Workers were from Fabric Warehouse, Sewing and Quality Inspection.
Recommendation for Immediate Action	Avoid that workers exceed 60 hours of work per week, which includes regular hours and overtime hours.
Compliance Classifications	Immediate Action Required
Local Law	

