

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**13 Jul 2023**



## Factory Information

FLA Affiliates	Reformation
Country	Mexico
Number of Workers	196

## 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

FLA Code Element	Number of Violations
Compensation (C)	2
Employment Relationship (ER)	13
Freedom of Association & Collective Bargaining	1
Freedom Of Association And Collective Bargaining (FOA)	5
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	17
Hours Of Work (HOW)	1
Nondiscrimination (ND)	1

## Assessment Information

Assessor	VeLar International
Assessment Date	13 Jul 2023
Assessment Purpose	

## ASSESSMENT RESULTS

### Compensation (C)

Benchmark ID	C.22
Benchmark Details	Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.
Finding Details	The factory has a suggestion box available for employees; however there is no specific grievance procedure and there are no records of the employees complaints revision, follow up or feedback.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	Based on the Federal Labor Law Article 125 the employer must deliver a profit sharing payment to the employees based on a legal protocol that includes the confirmation of an employee/employer commission, that will develop a profit sharing project. The employer must deliver the profit sharing payment to the employees in no more than 60 days after the annual tax declaration (this means that must be paid at least on May 31st each year). During the assessment and the management interview no evidence was presented that the factory completed this protocol (no committee creation act, no project records), and no evidence of payment delivery was presented.

Recommendation for Immediate Action	Complete the profit sharing protocol and deliver the corresponding payment.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 25.

### Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
Finding Details	No records were provided as evidence that management reviews employees' complaints and grievances and takes appropriate action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Benchmark ID	ER 17.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, regulations, and the Delta Code, and the appropriate practices to ensure compliance.
Finding Details	There is no grievance procedure in the factory; and no records were presented from employee complaints.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.2
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	Code of Conduct training is delivered only during the onboarding process, no refresher training is provided. There is no training program on the Code of Conduct.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	Since there is no detailed, written disciplinary system in place, no trainings were provided for managers and supervisors on this disciplinary practices.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	1. There is no grievance system procedure. 2. There is a suggestion box, however there is no evidence of complaints handling.
Recommendation for Immediate Action	1. Develop and implement a grievance system procedure that includes mechanism for the reception, attention, follow up and feedback of employees complaints and comments. 2. Ensure to keep the evidence of complaints handling.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-035-STPS-2018 Point 8.1 b)
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 specific procedure for compensation protocols including the bonus payments. No payment violation was noted, records showed payments are consistent with the law.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
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	1. There is no disciplinary policies and procedures in place. 2. There is no system developed for escalation or progressive discipline.
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	There are no policies and procedures for personnel development or ongoing training with the goal of boradening workers' skills.
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	1. There are no performance evaluations or a promotion program in the factory. 2. There are no personnel development and performance evaluations procedures.
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 promotion, demotion, or job reassignment policies and procedures.
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	The following procedures are missing: disciplinary measures, personnel development, voluntary overtime, bonus payment, grievance procedure, anti-violence and anti-harassment procedure. For the available policies, there is no evidence of revisions nor workers' consultation.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	There is no commitment, policy or procedure regarding non-retaliation during the disciplinary process in the factory.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.3.2
Benchmark Details	Workers have the right to participate and be heard in any disciplinary procedure against them.

Finding Details	There is no evidence that employees have the right to participate and be heard during the disciplinary action, since there is no procedure. During the interviews employees confirmed they are fairly sanctioned; however they have not been informed about any hearing protocol.
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	The factory did not present any evidence of CBA delivery to the employees, as required by law. In addition, it was noted during the interviews that employees are not aware about the labor union.
Recommendation for Immediate Action	Please deliver a copy to the CBA to each employee and collect the written receiving confirmation. In addition please, post the CBA at visible places in the facility.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 132 Section XVIII and XXX.

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

Benchmark ID	FOA.19.1
--------------	----------

Benchmark Details	Employers, unions and workers shall honor in good faith, for the term of the agreement, the terms of any collective bargaining agreement they have agreed to and signed.
Finding Details	Federal Labor Law states that CBA must be reviewed (and updated if applicable) every year for the salaries and every two years for general working conditions. However the CBA presented by the factory was reviewed on January 2021; therefore the period established by law for revision has been exceeded.
Recommendation for Immediate Action	1. Ensure to review the CBA with the labor union and ensure the legal process is completed 2. Employees are to be informed about the revision process 3. The legal consultation process is completed and employees are free to vote in favor or against the CBA as they consider 4. Ensure to register the CBA at the corresponding authority (CFCL) after completing the consultation process and obtained the required number of votes (50% of the total employees plus one more vote).
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Article 399
Benchmark ID	FOA.20.2
Benchmark Details	Provisions in collective bargaining agreements that contradict national laws, rules and procedures or offer less protection to workers than provisions of the FLA Workplace Code shall also be considered not applicable.
Finding Details	1. The CBA states that whenever new staff is required to fill vacancies, the union will be notified in advance, and will present candidates. Only if the union does not provide applicants to fill the vacancies, then the company will open the position and hire by other means. This practice generates discrimination, since it can cause only union members to work in the company. During the audit it was verified that this clause is not enforced, since the manager declared that they are not in contact with the union, and employees declared they were selected directly by the factory without any union interference. This clause is discriminatory and therefore against the law, so it is recommended to remove it.

Recommendation for Immediate Action	Eliminate any clause in the CBA that is against the Federal Labor Law and ensure to provide all required tools, materials and uniforms to the employees.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Articles 2nd, 3rd and 132 subsection III
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	No office or working space was provided by the factory for the union. In fact, the union is not active among the employees, as workers did not even know they are unionized.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	FOA.6
Benchmark Details	Workers who have been unjustly dismissed, demoted or otherwise suffered a loss of rights and privileges at work due to an act of union discrimination shall, subject to national laws, be entitled to restoration of all the rights and privileges lost, including reinstatement, if they so desire.

Finding Details	Four out of fifteen interviewed employees declared that one female worker was fired because she asked for working conditions improvement. They declared they have no information of where to find her and did not provide complete name. Auditors reviewed the termination records, but all terminated employees seem to have signed their resignation. Auditors did not obtain any contact information from the employees; however declaration was consistent during the interviews; and they confirmed that for this reason, they feel afraid of joining or creating a union.
Recommendation for Immediate Action	Create a protocol, to ensure no employee is terminated due to joining or creating a labor union or for complaining against working conditions.
Compliance Classifications	Uncorroborated Risk of Non-Compliance
Local Law	International Labor Organization Convention 98 (ratified by Mexico government on 2018).
Benchmark ID	FOA.2
Benchmark Details	Workers, without distinction whatsoever, shall have the right to establish and to join organizations of their own choosing, subject only to the rules of the organization concerned, without previous authorization. The right to freedom of association begins at the time that workers seeks employment and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers.
Finding Details	4 out of 15 employees declared one female worker was fired for trying to improve labor conditions; and therefore they believe they are not able to create or join a union. Auditors asked about this female worker's information; however employees declared they are not able to reach her and did not provide her name or date of firing.
Recommendation for Immediate Action	Ensure all employees are protected from retaliation for asking conditions improvements or exercising their freedom of associations rights. Deliver training and create communication programs to make sure employees are aware of their rights and that they will not be retaliated for exercising them.

Compliance Classifications	Uncorroborated Risk of Non-Compliance
Local Law	

### Harassment Or Abuse (H/A)

Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	Based on Mexico's ratification of the International Labor Organization Convention 190, since July 6th, 2023, it is legally required for all working centers to have a written protocol to prevent, address and eradicate violence and harassment in the working places. The factory has not developed the protocol and did not provide any update on this matter.
Recommendation for Immediate Action	Develop and implement a written protocol to prevent, address and eradicate violence and harassment in the work place.
Compliance Classifications	Immediate Action Required
Local Law	International Labor Organization Convention 190

### Health, Safety And Environment (HSE)

Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.

Finding Details	No training related to first aid, evacuation and fire fighting are provided to emergency brigade members.
Recommendation for Immediate Action	Deliver training related to first aid, fire fighting and evacuation to the emergency brigade members.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 point 11.3
Benchmark ID	HSE.5.1.5
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: employee education and training
Finding Details	Factory has not developed annual training program for fire fighting and preventive action; and no employees have received this kind of training.
Recommendation for Immediate Action	1. Develop and implement the annual training program for fire fighting and preventive action 2. Deliver the required training to all employees.
Compliance Classifications	Immediate Action Required
Local Law	NOM-002-STPS-2010 point 5.8
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	1. The factory lay-out published to indicate the evacuation routes was created several years ago but it is not reflecting the current areas of the facilities. 2. No evacuation route signs are provided in the fabric warehouse.
Recommendation for Immediate Action	1. Ensure to update the published lay-out. 2. Ensure to post all evacuation signs in factory areas.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 point 5.2 Mexican NOM-002-STPS-2010 point 7.5 a)
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	One out of three emergency lights is not working.
Recommendation for Immediate Action	Ensure to have all emergency lights in proper function.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-002-STPS-2010 point 7.15 C)
Benchmark ID	HSE.9.1
Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.
Finding Details	There were chemical containers with paints not labeled in the sublimating area.

Recommendation for Immediate Action	Ensure to keep all chemical containers properly labeled in accordance with the regulation.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-005-STPS-1998 point 5.3.
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	Electrical wires were exposed in all facility areas.
Recommendation for Immediate Action	Ensure to cover all electrical wires and keep them in safe conditions.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-022-STPS-2015 Point 5.1
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1. Materials' elevator is not equipped with security systems and no warnings provided for maximum loading capacity. 2. Fusion Machine is not equipped with emergency stop.
Recommendation for Immediate Action	1. Ensure to install security devices in the materials' elevator and post the maximum loading capacity in local language. 2. Ensure to install emergency stop on the fusion machine.
Compliance Classifications	Immediate Action Required

Local Law	Mexicano Nom-004-STPS-1999 Point 7.1
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. Factory does not have water discharge permit. 2. No training is provided to the members of the Health and Safety Committee as required by law. 3. The maximum stowage is exceeded in the warehouse area. 4. It is missing a lighting system maintenance program. 5. The Civil Protection plan required by the authority which must cover emergency protocols and fire-fighting program is missing. 6. The electrical grounding system assessment is missing.
Recommendation for Immediate Action	1. Obtain the permit to discharge used waters to the state system. 2. Deliver training in their duties to the Health and Safety Committee members. 3. Reorganize the warehouse ensuring the maximum stowage is respected. 4. Develop and implement a lighting system maintenance program. 5. Develop the Civil Protection plan and present it to the authority. 6. Develop the electrical grounding system assessment.
Compliance Classifications	Immediate Action Required
Local Law	RLAN Tit VII Cap Único Art. 135 Fracc. I. Mexican NOM-019-STPS-2011 point 5.13 Point 7.5 C of the Mexican NOM-006-STPS-2014, Point 5.10 of the Mexican NOM-029-STPS-2011 Article 40 of the General Law of Civil Protection Point 5.3 of the Mexican NOM-022-STPS.2015
Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	The warning signs are not provided in the local language for electric steam generator and metal detector machine.

Recommendation for Immediate Action	Ensure to translate and post all machine warnings in local language.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-004-STPS-1999 point 7.2.2
Benchmark ID	HSE.12
Benchmark Details	Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.
Finding Details	The factory did not provide evidence of any protocols taken to analyze working risks for pregnant employees. In addition, there are no actions taken to protect them from the identified risks.
Recommendation for Immediate Action	1. Develop the required protocols to protect pregnant workers and their babies. 2. Ensure to complete a risk assessment and provide the working conditions determined based on the assessment, without affecting employee's income.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Law Articles 170 and 172.
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	No training is provided for employees working at heights.
Recommendation for Immediate Action	Deliver training for employees working at heights.
Compliance Classifications	Immediate Action Required
Local Law	NOM-009-STPS-2011 point 5.3

Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	Employees have not received any training related with ergonomic topics.
Recommendation for Immediate Action	Ensure to deliver training on ergonomic topics to all employees.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-036-1-STPS-2018 point 5.5
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	There is no MSDS provided for chemicals in the sublimating area (chemicals used in the area are mainly paints).
Recommendation for Immediate Action	Ensure to provide MSDS in local language for all chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Mexicano NOM005-STPS-1998 Point 8, subsection a)
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	No metal gloves are provided for cutter worker in in the cutting area.
Recommendation for Immediate Action	Provide appropriate PPE to all employees in all areas and deliver metal gloves to employees in the cutting area.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-017-STPS-2008 point 5.4.
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	There is no evidence that trainings related to PPE use, storage and disposal are provided to relevant employees; as required by law (Mexican NOM-017-STPS-2008).
Recommendation for Immediate Action	Deliver training to employees for PPE use, storage and disposal.
Compliance Classifications	Immediate Action Required
Local Law	NOM-017-STPS-2008 point 5.6.
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.

Finding Details	Training that is required by Mexican NOM-004-STPS-1999 is not provided to relevant employees for the safe operation of machinery and equipment.
Recommendation for Immediate Action	Deliver training for the safe operation of machinery and equipment to all relevant employees.
Compliance Classifications	Immediate Action Required
Local Law	NOM-004-STPS-1999 point 5.4
Benchmark ID	HSE.9.2
Benchmark Details	Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.
Finding Details	There is no evidence that trainings are provided for relevant employees on Specific Safety and Hygiene Program for the Handling, Transportation and Storage of Hazardous Chemical Substances.
Recommendation for Immediate Action	Deliver training in the Specific Safety and Hygiene Program for the Handling, Transportation and Storage of Hazardous Chemical Substances.
Compliance Classifications	Immediate Action Required
Local Law	Mexican NOM-005-STPS-1998 point 5.13.

### Hours Of Work (HOW)

Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.

Finding Details	There is no written procedure in place that states that overtime work is voluntary.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

**Nondiscrimination (ND)**

Benchmark ID	ND.8.1
Benchmark Details	Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.
Finding Details	Factory does not provide lactation room for nursing mothers.
Recommendation for Immediate Action	Install a lactation room for nursing mothers that in accordance with law.
Compliance Classifications	Immediate Action Required
Local Law	Federal Labor Lar Article 170.

