



COMPANIES: C. R. Gibson, LLC

COUNTRY: Mexico

ASSESSMENT DATE: 07/11/18

ASSESSOR: VeLar

PRODUCTS: Apparel

NUMBER OF WORKERS: 212

FLA Comments

C.R. Gibson ceased affiliation with FLA in 2018. Therefore, the company will not be reporting to FLA on the remedial efforts regarding issues identified in this report.

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.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory has not provided new workers with specific training on the following Employment Functions: Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Termination & Retrenchment. [ER.15]
2. The factory has not provided supervisors with specific on the following Employment Functions: Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Termination & Retrenchment. [ER.17, ER.27]
3. The factory has not provided workers with ongoing training on the following Employment Functions: on the following Employment Functions: Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Termination & Retrenchment. [ER.1, ER.15, ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.15, ER.17, ER.25, and ER.27)

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory has not defined in writing the responsible or accountable person for: industrial relations, workplace conduct & discipline, termination & retrenchment, or person who has the ultimate responsibility for workplace standards. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

Pregnant employees are provided with the required permits for medical appointments; however, this time is calculated as permission without salary; therefore, it is discounted from their salary. [C.1, C.5]

Local Law or Code Requirement

Law of the Social Security Article 85; FLA Workplace Code (Compensation C.1, C.5)

Recommendations for Immediate Action

Provide pregnant employees who take time for medical appointments with accurate salary. Retroactively pay employees who did not receive payment during their medical appointments.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have internal written policies for the following employment functions: Compensation, Hours of Work, Industrial Relation, Freedom of Association, Harassment or Abuse, Nondiscrimination, and Termination & Retrenchment. [ER.1]
2. The factory does not have written procedures for the following employment functions: Compensations, Industrial Relations (Freedom of association, nondiscrimination no harassment and no abuse), and Termination and Retrenchment. [ER.28, ER.29, ER.30, ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.27, ER.28, ER.29, ER.30, ER.31, ER.32)

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. From the selected sample it was noted that two employees were working without signed labor contracts. One was hired five days before the audit and one was hired eight months before the audit. [ER.10.1.1]

Local Law or Code Requirement

Federal Labor Law Article 24; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.10.1.1)

Recommendations for Immediate Action

1. Sign labor contract with all employees on the hiring date and provide them with a copy.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Factory managers confirmed they have not followed the Profit sharing protocol established by law. The protocol states that the factory must: a) provide employees with a copy of the financial report in which is stated the obtained profit; b) create a commission with employees and employer representatives c) provide this commission with all required records and information and allow it to develop the profit sharing project d) post the project and allow employees to review it and raise concerns. In addition, the law specifies that profit must be shared taking into consideration employees salaries and worked days. The factory did not complete any of these steps.
2. In addition, the law establishes that 50% of the profit will be shared based on number of worked days by each employee and 50% will be shared based on the salary amount of each worker. For the days calculation, factory must consider medical leaves for working accidents and maternity leave as stated by law.
3. The factory was not able to show the number of worked days for each worker for the profit sharing calculation, since this was done

automatically by the system; therefore it was not possible to ensure that medical leave for working accidents and maternity leave were considered, as required by law. [C.1]

Local Law or Code Requirement

Federal Labor Law Article 117; Federal Labor Law Article 123; Federal Labor Law Article 125; FLA Workplace Code (Compensation Benchmark C.1).

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The company has not provided training to workers on using, handling or storing chemicals. Production workers use mainly paints although there are other chemicals in the factory. [HSE.9]
2. Chemicals are stored in different zones throughout the production area without a secondary container or security measures to prevent spillage leak and a proper eye shower station. [HSE. 10.1]
3. There is a forklift battery recharging area without a secondary container in case of battery spillage. However, in some areas there is equipment to collect (not to contain) accidental spillage but instructions are in English and PPE indicated in the equipment is missing. [HSE.14]
4. The chemicals' warehouse is missing adequate security conditions such as: Proper ventilation, Eye-shower station, MSDS for chemicals stored, required PPE, PPE use signs, PPE storage area and "No smoking" signs. [HSE.10.1]

Local Law or Code Requirement

Mexican Official Norm NOM-002-STPS-2010 Article: 5.10; Mexican Official Norm NOM-005-STPS-1998 Points 5.4, 5.9, 5.10. 8 (a), 8 (h); Mexican Official Norm NOM-017-STPS-2008 Points: 5.8. And 7.1 (m); Mexican Official Norm NOM-005-STPS-1998 Points: 5.10, 5.13, 7.1 (b), 8 (b), 8 (d), 8 (g.1); FLA Workplace Code (Health, Safety & Environment Benchmark HSE.9. HSE 10.1, HSE.14)

Recommendations for Immediate Action

1. Provide chemical handling and storage training to workers that use them.
2. Make sure to install anti spillage drip pans and eye shower stations in all chemicals' storage and using areas.
3. Make sure to install an anti spillage drip pan in the forklifts battery recharging area, translate collecting equipment instructions to Spanish and provide required PPE in the specific area.
4. Make sure to have all necessary safety devices at the chemicals' warehouse such as: Proper ventilation, Eye-shower station, MSDS for chemicals stored, required PPE, PPE use signs, PPE storage area and "No smoking" signs.

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Workers have not received specific training in correct PPE usage, revision, reposition, cleaning, limitations, maintenance, storage and final disposition. [HSE.7, HSE.8]
2. The factory has not provided training for the Health and Safety Commission members. Commission members confirmed this information during the interviews. [HSE.8]
3. The factory has not provided specific and formal training to workers in charge of machinery maintenance activities. However, the maintenance personnel have experience in the machinery maintenance. [HSE.14]

Local Law or Code Requirement

Mexican Official Norm NOM-005-STPS-1998 Point 5.8; Mexican Official Norm NOM-004-STPS-1999 Point 7.2.1.; Mexican Official Norm NOM-017-STPS-2008 Point 5.6; Mexican Official Norm NOM-019-STPS-2011 Point 5.13; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.7, HSE.8, and HSE.14).

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The forklift has all the required safety devices; however, inspections are not completed at the beginning and the end of each shift, and corresponding records are missing. [HSE.15]

Local Law or Code Requirement

Mexican Official Norm NOM-006-STPS-2014 7.8.1 (a).; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.15).

Recommendations for Immediate Action

Complete and record forklift inspections at the beginning of every shift.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have proper firefighting equipment. [HSE.6]
2. There are missing emergency lights in two emergency doors; one at the warehouse and one near the chemicals' warehouse. [HSE.6.1]

Local Law or Code Requirement

Mexican Official Norm NOM-002-STPS-2010 Point 7.15 (g); FLA Workplace Code (Health, Safety and Environment HSE.6, HSE 6.1)

Recommendations for Immediate Action

1. Ensure that the factory has proper firefighting equipment as required by law.
2. Install emergency lights at the two emergency doors.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Stowage limit is not signaled in the production area and overloaded in the warehouse. [HSE.1]

Local Law or Code Requirement

Mexican Official Norm NOM-006-STPS-2014 point 9.1 (c); FLA Workplace Code (Health, Safety and Environment HSE.1).

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory does not track or investigate the injuries and accidents to determine the root cause. By law, the Health and Safety Commission is the one responsible for these activities, however, they have not been trained. [HSE.3]

Local Law or Code Requirement

Mexican Official Norm NOM-019-STPS-2011 Point 5.9; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.3)