



COMPANIES: Augusta Sportswear Group (Holloway Sportswear Inc.)

COUNTRY: Mexico

ASSESSMENT DATE: 07/15/19

ASSESSOR: VeLar

PRODUCTS: Apparel

NUMBER OF WORKERS: 790

FLA Comments

At the time of assessment, Augusta Sportswear was a Category B Licensee. As of 2020, Augusta Sportswear is a Category C Licensee and is not responsible for submitting CAPs to the FLA, and CAP updates will not be published on the FLA website. The FLA recommends the affiliate to continue to work with the supplier to remediate all noncompliances.

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.

FLA Code Element	Number of Violations
Compensation	1
Hours of Work	3
Employment Relationship	21
Health, Safety, and Environment	32
Harassment and Abuse	1
Nondiscrimination	3
Freedom of Association	4

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory has not defined in writing the responsible/accountable person for Health, Safety and Environment in the factory. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Define in writing the responsible/accountable person for

Health, Safety and Environment in the factory

Company Action Plan Update

See attached evidence in writing the responsible/accountable person for

Health, Safety and Environment in the factory

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory has not provided new workers with training on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, Health & Safety, Termination & Retrenchment. [ER.1, ER.15, HSE.5].
2. The factory has not provided supervisors with specific or recorded training on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, Health & Safety, and Termination & Retrenchment. [ER.17, ER.27]
3. The factory has not provided workers with ongoing training on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, Health & Safety, and Termination & Retrenchment. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.17, ER.27, ER.15 and HSE.5).

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The factory does not communicate the Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, Health & Safety, and Termination & Retrenchment policies and procedures and their updates to the general workforce. [ER.15, ER.16, ER.28.2, ER.30.2, C.17, ER.32, ER.25, ER.27]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.15, ER.16, ER.28.2, ER.30.2, C.17, ER.32, ER.25 and ER.27).

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory does not have a system in place to ensure policies and procedures are updated periodically. They are not updated in accordance with the local law or with legal modifications FLA code and internal/external audit results. [ER.1, ER.29.1.1, ER.30.2, ER.31.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.29.1.1, ER.30.2 and ER.31.2).

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There is no evaluation and promotion procedure in place so workers are not periodically evaluated. [ER.29]
2. The factory does not have a program to encourage employees' ongoing training to increase their skills. [ER.28]
3. The child labor policy excludes the possibility of hiring workers under 18 years old; Mexican Labor Law does allow the hiring of workers between 15 and 18 years under specific requirements and restrictions. The policy of hiring workers only over 18 could discriminate against younger workers. [ND.2.1]

Local Law or Code Requirement

Ley Federal del Trabajo Artículos 173, 174 y 175; FLA Workplace Code (Employment Relationship Benchmarks ER.28 and ER.29; Nondiscrimination Benchmark ND.2.1)

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Article 75 of the Internal Rules Handbook specifies that the factory can impose monetary penalties in the case of poor performance. Although none of the interviewed workers stated that they had received monetary fines, this clause is against the FLA Workplace Code of Conduct and Compliance Benchmarks. [H/A 2]

Local Law or Code Requirement

FLA Workplace Code (Harassment and abuse Benchmark H/A 2).

Recommendations for Immediate Action

Remove the Article 75 of the Internal Regulations and prohibit the use of monetary fines as penalties for poor performance.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There are enough toilets, but access is controlled through a token held by a supervisor. When employees need to use the bathroom, they must ask the supervisor for the token. 35 out of 45 interviewed employees declared that the supervisor always delivers the token, but there are an insufficient number of tokens (only 2 per production line which each have 18-22 employees). Sometimes workers must wait to use the bathroom. The bathrooms are not locked or blocked, but a security guard collects the tokens and controls entrance into the bathrooms. During worker interviews, employees referred to an instance where one worker could not wait and had to use the bathroom outside of the bathroom. After that instance, workers said that a manager told the workers that they would install cameras in the bathrooms because of this situation. Although this action has not happened, it did frighten the workers. [H/A.3, H/A.5, F.4, HSE.21]

Local Law or Code Requirement

FLA Workplace Code (Harassment and Abuse Benchmark H/A.3, H/A.5 and Health and Safety and Environment Benchmark HSE.21).

Recommendations for Immediate Action

Eliminate the practice of requiring workers to have tokens to go to the bathroom. Inform employees, management, and supervisors that workers are free to use the bathrooms at any time and can use the bathroom without fear of punishment.

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory does not have a system to review grievances and responding to the workers. The grievance system (a suggestion box) is located outside of the human resources office. This site is not sufficiently private because workers do not feel comfortable submitting their grievances. Additionally, workers who had used the box said their suggestions were not solved and they did not receive any answers. [ER.25.2].

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25.2).

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory performs evacuation drills every two years; however, in accordance with the local regulation, they must perform at least one evacuation drill every twelve months. [HSE.5.1]

2. The factory has not performed a temperature assessment and there is no way to determine if the ventilation in the production area is sufficient. [HSE.13]

3. The factory has old sewing machines stored in the raw material warehouse with no "out of use" warnings. In addition, the six out of 18 floor strainers located in the exterior corridors do not have warning signs as required by law. [HSE.14.3]

4. The factory does not perform annual medical tests for employees. [HSE.1]

5. The Health and Safety Commission is composed of two workers and eight administrative personnel. According to law, the commission must have equal number of workers and administrative personnel. [HSE.1]

6. Only administrative personnel are considered for the security brigade, production workers are not considered. [HSE.5]

Local Law or Code Requirement

Norma Oficial Mexicana NOM-002-STPS-2010 Artículo 5.7; NOM-015-STPS-2001 Artículo 5.3; Norma Oficial Mexicana NOM-026-STPS-2008 Artículo 5.4 inciso: ii; 4 Norma Oficial Mexicana NOM-030-STPS-2009 Artículo 4.6; Ley Federal del trabajo Artículo 509; Norma Oficial Mexicana NOM-002-STPS-2010 Artículo 9.2; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.5.1, HSE.13, HSE.14.3, HSE.1 and HSE.5).

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not provide operation and maintenance training for compressor and forklift operators. [HSE.14.2]

2. There are exposed cables and wires throughout the factory. This practice is against the law and also is a fire risk source. [HSE.13]

3. Labels on the diesel pipe of the master generator are not painted and signaled. [HSE.9.1]

4. The assessors found a container with SAPHIRE INK HARD NGO 1000HNY in the tool room. This product is used in the PAD print process. This container did not have an accompanying MSDS. [HSE.10.1, HSE.2]

5. The chemical area does not have an eye shower station. [HSE.9]

6. The reverse alarm (visual and audible security warnings) for one of the three forklifts is not working. [HSE.14.1]

7. The elevator does not have security guards and the capacity signage is not visible all the time as required by law. [HSE.14.1]

8. The Health and Safety Commission members are missing training on the legal Health and Safety requirements and official NOMS (Norma Oficial Mexicanas). In addition, the factory does not provide adequate training for employees working at heights. [HSE.1, HSE.14.2]

Local Law or Code Requirement

Norma Oficial Mexicana NOM-020-STPS- Artículo 5.15; Norma Oficial Mexicana NOM-006-STPS-2014 Artículo 5.11; Norma Oficial Mexicana NOM-029-STPS-2011 Artículo 10.2 inciso “f”; Norma Oficial Mexicana NOM-026-STPS-2008 Artículo 5.3; Norma Oficial Mexicana NOM-005-STPS-1998 Artículos 5.3 y 5.4; NOM-006-STPS-2014 Artículos 5.2 y 5.4; Norma Oficial Mexicana NOM-019-STPS-2011 Artículo 10.1; Norma Oficial Mexicana NOM-009-STPS-2011 Artículo 5.13; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.2, HSE.9, HSE.10, HSE.13, and HSE.14)

Recommendations for Immediate Action

1. Train compressor and forklift operators on operation and maintenance training.
2. Keep the internal and external electrical installation of the factory on safety conditions.
3. Properly install signs and labels on the diesel pipe in the master generator.
4. Ensure that the MSDS for all chemicals are available and in all appropriate languages in the storage area.
5. Install an eye shower station in the chemicals' area.
6. Ensure that the forklift safety systems are working properly.
7. Install security guards and the correct signage in the elevator.
8. Provide Health and Safety Commission members with training on the legal Health and Safety requirements and official NOMS.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The excess water and oil from pressure vessels are disposed directly into the soil. [HSE.1, ER.31]
2. Even when the waste lamps and toners are disposed through an authorized hazardous waste collector and properly disposed, they are not declared on the Hazardous Waste Generator Registration “Formato SEMARNAT 07-017 GENERADOR DE RESIDUOS PELIGROSOS”. [HSE.1]

Local Law or Code Requirement

Ley General para la prevención y Gestión Integral de los Residuos Artículos 40, 41, 42, 43, 47 y 48; FLA Workplace Code (Health, Safety, & Environment Benchmark HSE.1; Employment Relationship Benchmark ER.31)

Recommendations for Immediate Action

1. Properly dispose of excess water and oil from the pressure vessels.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Female aspirants are asked about their family planning method during the selection process, which poses the risk of discrimination. This information is not legally required and does not relate to job position requirements. [ND.2, ND.7]

Local Law or Code Requirement

FLA Workplace Code (Nondiscrimination Benchmarks ND.2.1 and ND.7.1)

Recommendations for Immediate Action

1. Avoid any question during the hiring process that might lead to a discriminatory practice.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Removal of illegal and irrelevant question

Company Action Plan Update

Family planning is no longer questioned and training has occurred on why it was an inappropriate and illegal question to ask.