

FLA Audit Profile

Factory Code	400050851G
Country	Mexico
FLA Affiliate	Asics
Monitor	ALGI
Audit Date	October 15-16, 2008
Products	T-shirt
Processes	Manufacturing
Number of Workers	120



FAIR LABOR
ASSOCIATION™

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Forced Labor: R. Other - Forced Labor

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: The employer does not provide a copy of the employment contract to some employees. The Personnel Department does not have a clear process for hiring employees; therefore, the facility does not provide the copy of the employment contract to some employees.

Plan Of Action: Factory should revisit its hiring procedures. The procedures should include a clear process for accepting applications, interviewing, and hiring employees. Included in the procedure is the provision that the factory should provide all employees with a copy of their employment contracts.

Deadline Date: 04/15/2009

Supplier CAP: The factory has a posted version of their contract in the entry way to the factory and a signed version is kept in each file.

Supplier CAP Date:

Action Taken: The factory has a copy of the contract posted. However, a specific hiring procedure is not in place--November 25.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Freedom of Association: Z. Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers.
(P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: The facility does not have any internal comment or grievance system. Facility was not aware of the need to have this internal communication system. Facility walkthrough / interviews.

Plan Of Action: A grievance procedure must be formed. The procedure should encourage employees to directly settle grievances between the worker and supervisor. However, when this is not possible other options must be available: such as a grievance committee consisting of fellow employees, and a channel to the human resources team at the factory. In addition to

posting the procedure management shall train employees on the procedures.

Deadline Date: 01/05/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: The factory has written and posted their grievance procedure. Employees are encouraged to take grievances to human resources. If they do not feel comfortable addressing the issues with HR they are welcome to take them to the general manager.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Harassment or Abuse: C. Discipline/Review of Disciplinary Action

H&A.3 The disciplinary system shall include possibilities for workers to have disciplinary action imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action. In addition, such a system shall include the ability of a worker to appeal and/or question any disciplinary action against him or her and/or have a third party of his or her choice present when the disciplinary action is being imposed. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: The discipline process and the policy do not provide workers an opportunity to reply, challenge or make appeals against their termination. The process and policy do not include the opportunity to appeal.

Plan Of Action: ASICS asks that factory management expand the framework of the disciplinary system. Presently the framework consists of a progressive warning schedule from warning to termination. The framework must be expanded to include an opportunity for employees to reply, challenge, and appeal in against termination.

Deadline Date: 04/15/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: According to the factory, as members of the union all employees are able to appeal termination via the union.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Miscellaneous: A. Code Awareness

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a

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prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: 1. The employees have not been informed of the Code of conduct.
2. The employees do not have an understanding of the code of conduct elements. Facility does not have an effective mechanism to ensure the communication with the employees.

Plan Of Action: ASICS will provide a training code to company representatives and set a schedule for the training to be given to employees. On November 25, ASICS trained 13 workers, the HR rep, and a QC rep from our agent on the ASICS code of conduct. This training is being incorporated into the monthly meetings for employees and the orientation process for new employees. Each training code will address portions of the code of conduct, allowing for the code to be completely covered at least once over the course of the year.

Deadline Date: 01/05/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: 1. Training on the code of conduct has been given to employees. 2. In addition to two versions of the code being posted throughout the building, employees have received training. The factory will continue training all employees by incorporating parts of the code of conduct in the monthly meetings between management and workers.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: At the time of the audit, workforce did not have a communication channel with the PC. Interviews with management and employees.

Plan Of Action: 1. The factory shall create a grievance procedure.
2. ASICS will work with the factory to set up a secure communications channel between the workers and the company.

Deadline Date: 06/15/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: 1. The factory has written and posted their grievance procedure. Employees are encouraged to take grievances to human resources. If they

do not feel comfortable addressing the issues with HR they are welcome to take them to the general manager.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: I. Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation:

1. The facility has not provided training procedures to the employees in the new installations.
2. During the facility tour it was noted that the main aisles are clearly marked and passable but the work areas are obstructed with auxiliary tables, interfering with the evacuation of workers.
3. The door at the entrance area swings inwards.
4. During the facility tour it was noted that the stairs used in the office area are unsafe.
5. During the facility tour it was noted that there is no fire alarm system installed. There are no designated personnel to check for safety standards and the facility has just moved to this location 15 days ago. Document Review, management interviews and Factory Tour Mexican Official Standard NOM-002 to 0030 STPS-2000 and NOM- 0100 to 0116, terms of security, prevention, protection. The employer must ensure all workplaces adequately protect workers against environmental health and safety risks.

Plan Of Action:

- Factory must immediately address these safety issues.
1. An evacuation drill must be scheduled for the next month.
 2. The placement of auxiliary tables must be addressed by the factory. At all times there must be a clear aisle where employees are working to allow them to move freely from their machines to the evacuation routes.
 3. The door must be changed to open outward--in the direction of egress.
 4. Management should look into the safety of the stairs and possibly bring an engineer in to look at them.
 5. A fire alarm system is needed for the factory.

Deadline Date:

04/15/2009

Supplier CAP:

Supplier CAP Date:

Action Taken:

1. A fire evacuation was performed on November 24th.
2. During November 25th walk-through the auxiliary tables were no longer blocking the aisles.
3. The door was fixed and now swings outward.
4. Management will consider adding a hand railing, but due to its limited use--access to meeting room and an office area--it is not seen as a priority.

5. The factory has alarm stations with whistles for notifying the employees in case of emergency.

Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: J. Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: During the facility tour it was noted that the facility has not checked the fire extinguishers since 2007. There are no designated personnel to check for safety standards Factory tour Mexican Official Standard NOM-002 to 0030 STPS-2000 and NOM- 0100 to 0116, terms of security, prevention, protection. The employer must ensure all workplaces adequately protect workers against environmental health and safety risks.

Plan Of Action: The factory should accept volunteers for a safety committee. The committee would be responsible for checking safety issues throughout the factory. This includes monthly checks of fire extinguishers, first aid kits, safety signage, etc. Management will work with the committee to resolve any safety issues that arise.

Deadline Date: 01/05/2009

Supplier CAP: Extinguishers were switched out and an evacuation was held on 11.24.08. There is a committee that checks extinguishers and other safety equipment on a monthly basis. A log is maintained by HR recording their monthly checks.

Supplier CAP Date: 11/25/2008

Action Taken: Extinguishers were switched out and an evacuation was held on 11.24.08. A committee convenes monthly to check extinguishers and other safety equipment on site. A log is maintained by HR recording their monthly checks. The extinguishers and committee log were both checked. The explanation from the factory for the old extinguishers was that the building had just been reoccupied at the time of the FLA IEM, at that time all of the old equipment had not been swapped out.

Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: N. Material Safety Data Sheets/Worker Access and

Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: 1. The facility does not have Material Safety Data Sheets (MSDS) for the chemicals being used. 2. The facility does not have a procedure posted for the safety handling of hazardous chemicals and materials There is no designated personnel to check for safety standards Employee interview and factory tour. Mexican Official Standard NOM-002 to 0030 STPS-2000 and NOM- 0100 to 0116, terms of security, prevention, protection. The employer must ensure all workplaces adequately protect workers against environmental health and safety risks.

Plan Of Action: 1. MSDS is necessary for all chemicals being used by the factory. The factory must assemble an MSDS listing that is readily available to workers. 2. Also, training is necessary to educate workers on how to use the MSDS and what to do in case an accident occurs. The training should be expanded by posting a list of procedures demonstrating the safe handling of hazardous chemicals and materials.

Deadline Date: 04/15/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: A complete MSDS was not available at time of follow up visit.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: Q. Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: 1. During the facility tour it was noted that the electrical boxes at Compressor and bathrooms area are obstructed. 2. The facility has not conducted noise, lighting and particle material analysis. (Uncorroborated) 3. The Gas cylinder at the Canteen Area is not hitching adequately. There are no designated personnel to check for safety standards Factory Tour and employee interview Mexican Official Standard NOM-002 to 0030 STPS-

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2000 and NOM- 0100 to 0116, terms of security, prevention, protection. The employer must ensure all workplaces adequately protect workers against environmental health and safety risks.

Plan Of Action:

1. The factory must address this issue immediately freeing up space around electrical boxes by a meter.
2. The factory is encouraged to perform a particle material analysis. ASICS will provide a noise and lighting analysis upon next visit of the factory November 25.
3. Management should address this cylinder issue.

Deadline Date:

01/05/2009

Supplier CAP:

At the time of the audit the factory had just moved into this facility and some routine maintenance was still in the works. Management will work with employees on maintaining open aisle ways. The cylinder will be secured to the wall immediately.

Supplier CAP Date:

Action Taken:

1. The boxes were removed from the vicinity of the electrical boxes-- November 25. On March 11 a photo of the box with a painted restricted access line around it was sent from the factory to verify that additional work had been done.
2. A light and noise analysis has been performed. The lighting is appropriate for the work being performed and the noise is below 80 decibels, with the exception of the area in direct proximity to the air compressor. The compressor fires sporadically throughout the day and can reach up to the mid 90s in dBs. No workers work in this area.
3. Management attached the cylinder to the wall.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: S. Proper Use of Machinery

H&S.19 Employers shall only use positive incentives (risk awareness training, demonstration of proper use, awards, bonuses, etc.) to ensure workers use machinery, equipment and tools properly and safely. Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation:

1. Ninety percent (90%) of the sewing machines do not have the necessary finger guards.
2. One compressor machine does not have pulley guards. There are no designated personnel to check for safety standards Factory Tour Mexican Official Standard NOM-002 to 0030 STPS-2000 and NOM- 0100 to 0116, terms of security, prevention, protection. The employer must ensure all workplaces adequately protect workers against environmental health and safety risks.

Plan Of Action:

1. All machines needing guards should have them installed.
2. The guards have been installed on the compressor machine.

Deadline Date:

04/17/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: The guards were observed on the machines. However, use of the guards was not universal.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: U. Medical Facilities

H&S.21 Medical facilities shall be established and maintained in factories as required by applicable laws. Medical staff shall be fully licensed and recognized under applicable local rules and regulations. An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under local law. An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
10/15/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation:

1. The facility does not have any procedure posted that deals with first aid.
2. During the facility tour it was noted that the Benzalconico, Alcohol and Methiolate in the first-aid kit were past their expiration dates. There are no designated personnel to check for safety standards Factory Tour Mexican Official Standard NOM-002 to 0030 STPS-2000 and NOM- 0100 to 0116, terms of security, prevention, protection. The employer must ensure all workplaces adequately protect workers against environmental health and safety risks.

Plan Of Action:

1. A first aid procedure including who to notify and contact info for the nearest health clinic should be posted. Also, the factory should train some employees on basic first aid.
2. The first-aid kit should be checked regularly (by a designated employee and/or a safety team).

Deadline Date: 01/05/2009

Supplier CAP:

Supplier CAP Date:

Action Taken:

1. The first aid procedure is to immediately notify human resources. There is a posted listing explaining how to address fractures, burns, cuts, etc. In the office there is a phone for emergency use, with the posted phone numbers for police and medical help. The factory is located less than a quarter mile from a health clinic.
2. There is an internal safety team that towards the end of each month checks fire extinguishers and other safety issues. They compile all of their findings in a log maintained by Human Resources.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments: