FLA Audit Profile		IEV Profile
Country	Mexico	Mexico
Factory name	36025017D	36025017DV
IEM Organization	Accordia Global Compliance Group	COVERCO
Date(s) in facility	January 5-7, 2005	July 18-19, 2011
PC(s)	Reebok International, Ltd.; Puma	adidas-Group
Number of workers	478	588
Product(s)	Male and Female T-Shirts	
Production processes	Cutting, Folding, Sewing, Finishing (Print), Packing	

			IEM Findings							Remediation				[Status]	Updates		[Status]	Updates		[Status]	Updates		[Status]	Updates		[Status]	Updates		[Status]	
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources, Documentation Used For Corroborating	Notable Features	PC Internal Findings	PC Remediation Plan	Target Completion Date	Company Follow Up (February and August 2006)	Documentation	Completed, Pending, Ongoing	Company Follow Up (November 2007)	Documentation	Completed, Pending, Ongoing	Company Follow Up (adidas-Group) December 2007	Documentation	Completed, Pending, Ongoing	Company Follow Up (adidas-Group) (February 2009)	Documentation	Completed, Pending, Ongoing	Company Follow Up (adidas-Group) (June 2010)	Documentation	Completed, Pending, Ongoing	Company Follow Up (adidas-Group) (February 2011)	Documentation	Completed, Pending, Ongoing	External Verification (Date)
1. Code Awareness																														
Code Posting/Information		**FLA Principle of Monitoring, Obligation of Companies:** Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	There is no code posted in anywhere in the factory.				worker interviews, management interviews, document review, factory tour		According to PC audit codes are posted in English and Spanish.	Factory will immediately post Reebok's Notice to Workers poster, with Reebok's Code of Conduct (COC) and local field staff contact information, AND Puma's COC poster, both to be provided to factory in local language of employees, in a prominent location inside the factory. Documentation to be submitted: Photos which show poster and its location.	1) As soon as possible	PC verified that PCs' COCs and Notice to Workers were available in local language, and posted in prominent places throughout the factory.	photos taken	Complete	adidas Open Letter and Workplace Standards were available in local language and posted in a place accessible for all employees.	factory tour, photos taken	Completed	adidas Open Letter and Workplace Standards were available in local language and English version posted in a place accessible for all employees.	factory tour, photos taken	Completed	During the February 2009 visit, the adidas Open Letter and Workplace Standards were available in local language and English version, posted in a place accessible by all employees. There is also a version of the adidas Open Letter to Workers in simplified Chinese posted on the workers' information board.	factory tour	Ongoing	The FLA COC installed in cafeteria area is blocked by several boxes and FLA COC is not visible for workers in this area.	factory tour, photos taken	Ongoing	Factory did not provide documentation/photos verifying that the FLA COC installed in the cafeteria is not blocked by materials and to ensure such is visible for all workers. Instead supplier sent photos of old Reebok Notice to Factory Workers posted in the cafeteria area.	photos (shared by supplier)	Pending	July 18 and 19
Worker/Management Awareness of Code		**FLA Principle of Monitoring, Obligation of Companies:** 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 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.	Workers and management not aware of FLA COC.				worker interviews, management interviews, document review			1) Factory will download FLA COC and post it in the factory. Factory will routinely check for updates on FLA code, and will make sure code is up monthly. Documentation to be submitted: Photos showing FLA code posting and location, and regular inspection of its posting. 2) An essential part of achieving factory compliance is creating an informed workplace, whereby all employees are familiar with their rights and obligations, as well as the policies and practices of the factory. Factory to (a) develop, and then distribute to employees, a handbook that provides employees with detailed information on brands' codes of conduct, factory rules and policies, worker obligations and worker rights; (b) develop a system for regular training, both for new and existing employees, on brands' codes of conduct, factory rules and policies, worker obligations and worker rights; (c) first training to be completed shortly thereafter. Documentation to be submitted: Copy of workers handbook, schedule of planned training, training materials used, training attendee lists.	1) As soon as possible 2) April 30, 2006: worker handbook and training plans due. 3) Copies of first training materials due after first training, to be conducted no later than May 15.	The new workers handbook, which was being revised, was presented to Puma and a copy was given out to all employees on February 9, 2006. The FLA's COC was also posted in prominent areas inside the factory in local language. Factory has established an improved training system for newly hired workers. New worker training includes training on COC, factory rules and regulations, workers' obligations and rights.	photos, copy of the new workers handbook	Ongoing	1) The FLA code is posted in 1 of the factory cafeteria buildings, and is blocked by sewing machines, therefore employees do not have access to it easily. 2) New workers are not trained on COC, factory rules and regulations. Factory management must conduct new worker trainings in order to provide information to new workers regarding the PCs' COCs, factory policies and procedures. Factory management to document all trainings conducted. Please review original remediation plan and remediate accordingly.	factory tour, employee interviews, photos taken	Ongoing	The FLA code is posted in 1 of the factory cafeteria buildings, and is blocked by sewing machines; therefore, employees do not have access to it.	factory tour, employee interviews, photos taken	Ongoing	1) The FLA code is posted in a visible place for all workers in English and Spanish in the production area at the information board available for all workers. 2) From worker interviews it is noted that they have not been trained on COC, factory rules and regulations. In fact the Internal Rules posted at the main entrance of the factory are outdated and include inaccurate information regarding the periods of wage compensation.	factory tour, employee interviews, management interview	Ongoing	1) The FLA code is posted in a visible place for all workers at sewing area. 2) Workers and management stated that factory has not trained workers or supervisors on the FLA COC. Factory trained recently hired workers on Internal Rules and were provided with a company handbook that includes information on factory History, Productive Process, Benefits, Internal Rules, Bonus, Permissions, Workers' committees and voluntary resignation procedure. Current workers have been provided with a copy of company handbook but have not received training on factory policies. Factory management to review original remediation plan and ensure to implement original CAP in its entirety, particularly providing annual training on factory policies, the FLA and/or adidas Workplace Standards on an annual basis.	worker and management interviews; document review about training provided to workers	Ongoing	1) Factory management did not provide documentation illustrating any trainings provided on the FLA COC. However, factory provided documentation of trainings provided on the adidas-Group Workplace Standards.	assistance list to training on adidas-Group Workplace Standards	Pending	July 18 and 19
2. Forced Labor																														
Labor Contracts	Official language in Mexico is Spanish.								**adidas-Group December 2007:** No copies of labor contracts available in local language and in simplified Chinese for Chinese workers at the factory.	1) Factory must ensure that copies of all Chinese workers' labor contracts are available in simplified Chinese and also in Spanish, Mexico's official language. 2) Factory must ensure that all the documentation related to Chinese workers' labor conditions is translated to Spanish.										Ongoing	All labor contracts from Chinese workers are translated to Spanish. However, management is not including a copy of the current immigration authorization from Mexican government in the files of Chinese workers - FM3 form of extended work permission.	Chinese personnel files, management interview, labor contract review	Pending	Copy of the current immigration authorization from Mexican Government is not included in workers' files in least 7 cases. Management commented that all Chinese workers have current immigration authorization. Management must ensure to include copy of current authorization to work in Mexican territory from National Immigration Institute for Chinese workers in their personnel files. 2) Factory should ensure that copy of new ID-sized immigration form is	worker interviews, record review of Chinese workers document review, management interview	Ongoing	Management included copy of current authorization form from National Migration Institute for Chinese workers to work in Mexican territory.	5 copies of ID-sized immigration authorization forms, document review, corrective plan	Ongoing	July 18 and 19
Labor Contracts	In accordance with Mexican Labor Code Article No. 24)						document review		**adidas-Group November 2007 finding:** Personnel files review found that some labor contracts were not signed by management, some include only the employer's stamp in Chinese characters, making document invalid.	1) Factory must ensure that all labor contracts are signed by factory legal representative and worker. 2) All employees must receive a copy of contract, once it is properly signed. 3) Factory must develop policies and procedures so labor contract signature is reviewed at least by 2 Human Resource Department officers to verify it is complete and accurate before going on to personnel file.				Pending	Management has indicated that plant manager already signed all labor contracts that were missing signatures. Supervisors will ask employees in their areas if they have received a copy of their labor contract.		Ongoing	Factory management worked to ensure that all labor contracts include employer's signature. However, policies about this issue are not developed yet.	document review	Ongoing	Factory management worked to ensure that all labor contracts include employer's signature. However, policies about this issue are not developed yet. Factory management to designate a responsible person to ensure employees' files are current. Also, factory should create a procedure that monitors if documentation is properly maintained.	document review	Ongoing	All employment contracts reviewed contain employer's signature. Factory has an informal procedure that monitors accuracy of documentation; however, system is not established in writing.	document review, management interview	Ongoing	Management has created checklist of documents to be kept in workers' files. Implementation of this procedure will be verified during next visit to the factory.	HR procedure to verify all documentation from new personnel is included on personnel files	Ongoing	July 18 and 19
3. Child Labor																														
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																														
4. Harassment or Abuse																														
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.																														
Freedom of Movement		Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, during breaks, using toilets, accessing water, or to access necessary medical attention.	Bathroom visits by workers are limited to 2 workers at a time. This is d1 so production is not effected. Signs are posted throughout the plant to remind workers of this practice.				worker interviews, document review, factory tour		No such policy existing. Auditors are referring to an old policy which is no longer valid. Workers can use the bathroom whenever they want with no limits.	1) Factory will take care to remove or paint over old signs to eliminate this confusion. Please note that Reebok's local field staff feels that this assessment may not be wholly accurate. 2) Factory to include, as part of its worker handbook, a policy that explicitly states workers have freedom of movement during the course of their employment, and that workers are free to go to the bathroom when they need to. *Documentation to be submitted*: Copy of the factory's freedom of movement policy. 3) Factory to include in its training program education on its freedom of movement policy. *Documentation to be submitted*: Copy of the planned training schedule.	1) As soon as possible, 2, 3) April 30, 2006	Factory removed paint and moved signs to eliminate confusion. In new workers' handbook under General Rules, No. 7, management mentions workers have freedom of movement, but they were also advised not to spend too much time moving around, going to the bathroom or drinking water. PCs will continue to monitor this issue via worker interviews in order to ensure that freedom of movement policy is properly implemented and factory will be required to amend wording of current policy, as it may still restrict workers' freedom of movement.	photos, copy of new workers' handbook	Pending	Confirmed that bathroom visit policy does not exist anymore at the factory. There are no signs posted about this policy. However, employees still need to tell their supervisors they are going to the bathroom or to drink water. Factory management must ensure to verbally train all supervisors that workers do not have to tell them every time to go to the restroom.	factory tour, employee interviews	Ongoing	Confirmed that bathroom visit policy is no longer practiced. There are no signs posted about this policy. However, according to worker interviews, employees still need to tell their supervisors that they are going to the bathroom or to drink water.	factory tour, employee interviews	Pending	Confirmed that bathroom visit policy is no longer implemented. There are no signs posted about this policy. Also, during interviews workers reported that they do not need to tell their supervisors when they need to leave their work positions during working hours.	factory tour, employee interviews	Completed	Confirmed that bathroom visit policy is no longer implemented. There are no signs posted about this policy. Also during interviews, workers reported that sometimes they do not need to tell their supervisors when they need to leave their work positions during working hours to go to the bathroom in some positions such as screen printing.	worker interviews, factory tour	Completed				July 18 and 19
5. Nondiscrimination																														
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																														
Hiring Process							document review, management interview		**adidas-Group November 2007 finding:** Personnel file review found that the application form currently used during the initial hiring process includes non-work related questions.	1) Management must develop application forms that only include questions related to the skill and job position requirements. 2) Factory has to develop a written non-discriminatory policy that includes a statement that hiring decisions, promotions, job assignment, termination and retirement should be based on the person's ability to perform the job. 3) Factory management must verbally train all managers and supervisors responsible for making hiring decisions on hiring policies and procedures. *Documentation to be submitted:* Copy of the new employment application with the above recommendations included.								Factory will change the application form to eliminate any questions that are not related to skill and job position.	Document review	Pending	1) Factory has developed a new application form eliminating some questions that are not related to workers' skills or skills related to the job position. However, since 2008 was not a high hiring year this form was not frequently used. 2) Factory has not trained supervisors and workers about non-discrimination issues. Also, recommended discrimination policy has not been created.	worker interviews, document review, personnel file review	Ongoing	Factory recently created an application form that continues to include gender and age requirements. Factory created a non-discrimination policy and has trained supervisors and workers about it verbally. Non-discrimination policy establishes that no worker should be discriminated based on aspects such as race, age, nationality, gender. However, employment application is not a violation to own non-discrimination policy.	management interview, personnel file review	Ongoing	Copy of revised application form with accurate corrections regarding gender and age provided. Copy of non-discrimination policy also provided for review. Supplier indicated that training was provided to person responsible for hiring on non-discrimination policy. Photos of training received. To be physically verified during next visit.	copy of application form and non-discrimination policy; document review	Pending	July 18 and 19
6. Health and Safety																														
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.																														
Fire Safety Health and Safety Legal Compliance	In accordance with Mexican Health and Safety Norm 001, Clause 7.2, aisles, passages, ramps and stairways must be delimit for sure and sufficient spaces to employee transit.	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	Aisle width for aisle next to team No. 1 not adequate. The aisle width between sewing team and wall is narrow and does not provide enough space for safe evacuation.				factory tour		Factory implemented the necessary change already. Now it is 105cm in width. The factory has since met the appropriate standards and will appoint a Safety Monitor (within 30 days) to measure and assess all evacuation routes.	1) Factory to immediately make this (and any other) emergency exit routes the appropriate width and free of obstructions. Documentation to be submitted: Photos of emergency evacuation routes. 2) Factory to define job duties and then appoint qualified individual as fire safety monitor to measure and assess fire safety (including whether exits and stairways are wide enough for orderly evacuation during an emergency) on an ongoing basis. Documentation to be submitted: Job description of fire safety monitor, name and qualifications of person appointed.	1) As soon as possible. 2) April 30, 2006	1) Factory already changed the emergency exit routes in order to be in compliance with local regulations and PCs' standards. 2) Factory management has set up an emergency team to be responsible for fire safety emergency assessment.	factory tour	Pending	Confirmed that the exit route is appropriate and free from obstructions.	factory tour	Completed							Confirmed that exit route is appropriate and free from obstructions.	factory tour	Completed				July 18 and 19
Evacuation Procedure	In accordance with the Health and Safety Norm NOM-002-STPS-2000, point 9.1)3 (b) and (e), emergency exits must be identified and unblocked.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Blocked emergency exit near last sewing team. Spare equipment found stored in an aisle passageway that leads to emergency exit, restricting workers' ability to safely evacuate in the event of an emergency.				factory tour		Exits are free now.	See above.	See above.	During February 9 and August 14 visits, all exits observed free and unlocked. Management has set up an emergency team to be responsible for fire safety emergency assessment.	factory tour	Completed and ongoing	This emergency exit is still partially blocked by sewing machines and an air-compressed hoist.	factory tour, photos	Ongoing	This emergency exit was not blocked.	factory tour, photos taken	Completed				Emergency exit near sewing area was free from obstruction.	factory tour	Completed				July 18 and 19
Evacuation Procedure	In accordance with the Health and Safety Norm NOM-002-STPS-2000, point 9.1)3 (a), emergency exits must open outwards.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Emergency exit in cutting area is a steel overhead door that must be raised up to open. At the time of the audit, a lock was in place on this door.				factory tour		Factory replaced with plastic curtain pieces.	Reinstall the emergency door and replace it with plastic curtain pieces.	As soon as possible	February 9 and August 14; Emergency exit door replaced with plastic curtain pieces; door kept unlocked during working hours.	factory tour	Completed and ongoing	DConfirmed that plastic curtain is now exit door and is unlocked during working hours.	factory tour, management interview	Completed	Confirmed that there are 2 emergency exits available in the printing area.	factory tour	Completed				Emergency exit located in cutting department was closed; opening it includes lifting a curtain metal door, not making this exit efficient. Factory should ensure to maintain emergency exit door -steel overhead door - open during working hours or install a system that ensures it is easy to open it from the inside.	factory tour photos taken	Ongoing	Per factory update, metal curtain door is not an emergency exit due to CT-PAT implications. Emergency signage and emergency lights were retired from this door.	photos, Corrective Action Plan	Ongoing	July 18 and 19
Document Maintenance/ Accessibility		All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	Found chemicals used by workers without material safety data sheet (MSDS) at workstations. Inspection of screen print area found chemicals to be used without proper information related to health and safety.				factory tour		MSDS are placed now with proper health and safety explanation.	Factory to: 1) a) obtain MSDS from chemical suppliers, for all chemicals used in factory; b) once obtained, MSDS are to be posted in areas where chemicals used and stored. Sample MSDS available in Reebok's Guide to Human Rights Production Standards for factory reference. *Documentation to be provided:* Copies of all MSDS for all chemicals in use, photos of their posting in all areas used or stored. 2) Develop chemical management system for following: a) inspection of new chemicals upon delivery to ensure contents, concentrations and quality meet purchasing specifications and code requirements, b) proper labelling of containers, c) providing MSDS and making them readily accessible to workers, d) keeping and maintaining MSDS up-to-date and in good, legible condition and e) ongoing training for workers on how to read and understand MSDS. *Documentation to be provided:* Copies of factory's chemical management policies and procedures.	1) April 15, 2006 2) May 15, 2006	1) MSDS are being posted. 2) Factory management developed a chemical management system. Further verification will be d1 on the particulars of the chemical management system, including on the chemical handling training program for workers.	factory tour	Ongoing	1) MSDS are neither posted nor available for employees at workstations where chemicals are used and stored. Chemical containers are not properly labeled and factory has not developed a chemical management system. Factory management to review point 2 of original action plan and remediate accordingly.	factory tour, management interview	Pending	MSDS were posted and available for employees at workstations where chemicals are used and stored. Chemical containers were properly labeled. However, factory has not developed a chemical management system.	factory tour, management interview	Pending	MSDS posted and available for workers were incomplete; at least 1 chemical is posted in English and not in Spanish. MSDS in Spanish only includes first aid information. Factory was not able to show that a chemical management system was developed or that they have provided training to workers about this matter.	factory tour, worker interviews, management interview, document review	Pending	1) Complete MSDS - detailing first aid, CAS No. not posted nor available for employees at workstations where chemicals are used and stored. Chemical containers not properly labeled in screen printing area and factory has not developed a chemical management system. Factory management to review point 2 of original action plan and remediate accordingly. Also, no MSDS available for spot removal product used in finishing area, or for sprays used at screen printing.	factory tour, worker interviews, management interview, document review	Pending	1) MSDS detailing first aid and PPE requirements when using solvents posted in workstations where chemicals are used or stored. Factory sent copies of Chemical Policy and Chemical procedure verifying all chemicals purchased by factory have corresponding MSDS. Procedure does not mention if workers will be trained on chemical handling.	photos (MSDS posted, worker training on chemical handling, chemical containerse properly labelled), documentation (copies of Chemical Policy, Chemical Procedure)	Ongoing	July 18 and 19
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Print area has only 1 point of exit for emergency evacuation. This area is an interior room of building without any opening to the outside. Approximately 15 workers observed working in this area on the day of the audit.				factory tour		As factory does not own this facility, and is renting, it is taking all appropriate actions to remedy this situation (by applying to the government for installing a door). Factory already applied to the government for installing a door. Process may take weeks.	Every worker must have access to at least 2 exits safely distant from each other. If factory cannot create a new exit in the short term, it must move the 15 workers to an area of factory where fire safety is not an issue. *Documentation to be submitted*: Proof of installation of new exit or of moving workers.	As soon as possible	Factory opened 1 more emergency exit in printing area. As a result, printing area is now equipped with 2 emergency exits.		Complete	There are 2 emergency exits available at the printing area.	factory tour	Completed													July 18 and 19
Safety Equipment	In accordance with the Mexican Labor Law, Article 132, paragraph XVII, the employer must provide the adequate medicines to use for all workers.	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Medicines made available to workers were found beyond the expiration date in the medical service inside the factory.				factory tour		No more medicine beyond expiration date available in the factory.	1) Factory will remove all outdated medicines from first aid kit and medical service immediately. Factory will ensure first aid kits and medical service facility are fully stocked with basic first aid supplies, required by Reebok's and Puma's code. Documentation to be provided: List of all medical supplies available in first aid kits and medical service facility. 2) Factory will appoint an individual to create, develop and enforce, a schedule to restock and update supplies in the first aid kits and medical service facility on a regular basis. Documentation to be submitted: Job description of fire aid monitor, name and qualifications of person appointed.	1) April 15, 2006 2) May 15, 2006	1) All expired medicines have been removed from the first aid boxes. 2) Factory assigned a staff member responsible for restocking first aid boxes and medical service facility on a regular basis.		Completed and ongoing	All first aid kits located in production area were empty. No basic first aid supplies available in the production area. Factory must appoint an individual to create, develop and enforce, a schedule to restock and update supplies in first aid kits and medical service facility on a regular basis.	factory tour	Pending	All first aid kits located on production floor were properly stocked, but expired medicines were found in 1 first aid kit.	factory tour	Pending	All first aid kits located on production floor properly stocked, with no expired medicines.	factory tour	Completed	All first aid kits located on production floor properly stocked, with no expired medicines.	factory tour, management interview	Completed				July 18 and 19
Electrical Devices	In accordance with the Health and Safety Norm NO-029-STPS-2005 Article 8.1 about electrical panels, a) the electricity distribution controls must be installed in a way so any case of accidental contact of people and objects is impossible.						factory tour		**adidas-Group November 2007 finding:** Some electrical panels located at working area are not properly covered, high-voltage contacts are exposed and poorly maintained.	1) Factory should immediately ensure all electrical panels are properly covered in order to reduce risk of accident and high-voltage exposure. 2) Factory must ensure maintenance department verifies electrical control panels conditions and keeps documentation about inspections. 3) Factory must appoint qualified individual in electrical maintenance to asses electrical safety in factory on a regular basis. Documentation to be submitted: Job description of electrical safety monitor, name and documentation of inspections.														Following noncompliances were observed: 1) Some electrical panels located in production area and cafeteria not properly covered. 2) High-voltage wires exposed and poorly maintained. 3) Some panels not labeled. 4) Electrical wires in screen printing area not properly insulated. Factory management to review and implement points 2 and 3 of original action plan to address noncompliances found during June 2010 visit.	factory tour, photos taken	Pending	Supplier sent proof of remediation of properly covered electrical panels in cafeteria. Also, documentation of internal HSE inspection on electrical wires as proof of proper maintenance also submitted by management.	internal HSE electrical conditions inspections, photos	Ongoing	July 18 and 19
Personal Protective Equipment (PPE)	In accordance with the Health and Safety Norm NOM-005-STPS-1998, Articles 5.2 and 5.4, in workplaces where toxic substances are used there should be a sufficient quantity of showers, eye showers, neutralizers and inhibitors in the risk z1 for use in emergencies.	Workers shall wear appropriate protective equipment (gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Eye wash station missing in screen print area where chemicals are used. Solvents, diesel fuel (used as cleaning agent) and other spray chemicals are in use without appropriate eyewash.				factory tour		Eye wash facilities are ordered in the city. Delivery expected in week 8.	1) Factory to install eye wash station, per Reebok's and Puma's requirements. *Documentation to be provided:* Proof of purchase of eye wash station and photos of its installation. 2) As part of the chemical management system required above, factory to include system for the ongoing control of chemical exposure. *Documentation to be provided:* Copies of factory's chemical management policies and procedures.	1) April 15, 2006 2) May 15, 2006	1) Factory installed the eyewash equipment in prominent areas where chemicals are in use. Further verification will be d1 on the particulars of the chemical management system, including the training program of workers on chemical handling.		Completed and ongoing	Eye wash installed in areas where chemicals are used are not highly pressurized, they only have a drop system for employees when they have exposure to chemicals. Factory management must check the installed eye wash stations to ensure that they are properly working.	factory tour, management interview	Pending				The eye wash that has been installed in the areas where chemicals are used is not highly pressurized, they only have a drop system for employees when they have exposure to chemicals. Factory management must check the installed eye wash stations to ensure that they are properly working.	factory tour, management interview	Pending	There is an eye wash installed at the laundry area; however, no eye wash is available in chemical storage room. Factory management to review all areas where chemicals are used/stored and provide eye wash stations.	Factory walkthrough, photos taken	Pending	Per factory update, eyewash has been provided in chemical storage area and screen printing.	photo	Ongoing	July 18 and 19
Personal Protective Equipment (PPE)	In accordance with the Health and Safety Norm NOM-005-STPS-1998, Articles 5.2 and 5.4, in workplaces where toxic substances are used there should be a sufficient quantity of showers, eye showers, neutralizers and inhibitors in the risk z1 for use in emergencies.																													July 18 and 19

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FLA Code/Compliance Issue	**Country Law/Legal Reference**	**FLA Benchmark**	**Noncompliance**	**Risk of Noncompliance**	**Evidence of Noncompliance (Uncorroborated)**	**If Not Corroborated, Explain Why**	**Sources, Documentation Used For Corroborating**	**Notable Features**	**PC Internal Findings**	**PC Remediation Plan**	**Target Completion Date**	**Company Follow Up (February and August 2006)**	**Documentation**	**Completed, Pending, Ongoing**	**Company Follow Up (November 2007)**	**Documentation**	**Completed, Pending, Ongoing**	**Company Follow Up (adidas-Group) December 2007**	**Documentation**	**Completed, Pending, Ongoing**	**Company Follow Up (adidas-Group) (February 2009)**	**Documentation**	**Completed, Pending, Ongoing**	**Company Follow Up (adidas-Group) (June 2010)**	**Documentation**	**Completed, Pending, Ongoing**	**Company Follow Up (adidas-Group) (February 2011)**	**Documentation**	**Completed, Pending, Ongoing**	**External Verification (Date)**
Personal Protective Equipment (PPE)		Workers shall wear appropriate protective equipment (gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.																												
Chemical Management	In accordance with Mexican Health and Safety Regulation, Article 62, the employer is responsible for labelling all materials and chemical substances, mentioning the level of risk, and is also obliged to inform all employees of the preventive and corrective measures for handling, transport and storage in accordance with the norms.	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	Empty soft drinks bottles in print area indicate that workers consume drinks in the presence of chemicals.				factory tour		Factory advised to display safety signs in all areas.	See MSDS and chemical management system requirements above. As part of the implementation of these requirements, factory to: 1) train workers on the risks associated with food and drink near chemical use and storage, 2) include policies that no food or drink can be consumed in the immediate vicinity. *Documentation to be submitted:* Copies of factory's chemical management policies and procedures and training materials.	15-May-06	No signs of food found near the chemical work stations. (1, 2) Workers have been briefed on this and food policy is included in the new workers' handbook. There is a general prohibition on having food inside the factory.	factory tour	Completed and ongoing	An empty soft drink bottle was found in the chemical storage area. Management must train employees about the risks associated with having food and drink near the chemical areas.	factory tour	Pending	No signs of food or drink were found in the chemical storage area.	factory tour	Ongoing	No signs of food or drink were found in the chemical storage area.	factory tour	Pending	No signs of food or drink were found in the chemical storage area.	factory walkthrough, photos	Completed				July 18 and 19
Sanitation in Facilities	In accordance with the Mexican Health and Safety Regulation, Article 108, toilets must be in good condition for use by all employees at all times.	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	No toilet paper found in bathroom for women near packing area.				worker interviews, factory tour		Toilet paper is available for all workers.	Factory will assign someone to restock the bathrooms twice a week. Documentation to be submitted: Name of person appointed, schedule for cleaning and restocking.	As soon as possible	Bathrooms are being cleaned on a regular basis, as well as frequently stocked with toilet paper.	photos, factory tour	Completed and ongoing	Bathrooms are not stocked with toilet paper, each employee is provided with toilet paper in materials storage room each time they go to the bathroom. Factory should assign a person to restock bathrooms as needed with toilet paper and hand towels, and to schedule cleaning and restocking. This has to be verified for the HSE Manager.	factory tour, employee interviews		Bathrooms are not stocked with toilet paper; each employee is provided with toilet paper from the materials storage room each time they go to the bathroom.	factory tour, employee interviews	Pending	Bathrooms are not stocked with toilet paper; each employee is provided with toilet paper in the materials storage room each time they go to the bathroom. 2 men's bathrooms facilities were dirty and without maintenance.	factory tour, worker interviews	Pending	Men's bathrooms are not stocked with toilet paper; shower in the men's bathrooms facilities was dirty and without proper maintenance. Factory has assigned a person to maintain restrooms; however, lack of proper maintenance is a chronic noncompliance at the factory.	factory walkthrough, photos	Ongoing	Men's bathrooms are stocked with liquid soap and toilet paper. No update if bathrooms are properly kept: shower in men's bathroom facilities cleaned. Supplier sent copies of internal H&S inspections on bathrooms.	photos, Corrective Action Plan, internal H&S inspections (including verification of restrooms), factory update	Pending	July 18 and 19
Ventilation/Electrical/Facility Installation and Maintenance																														July 18 and 19
Drinking Water		Safe and drinking water shall be freely available at all times, within a reasonable distance of the workplace. Drinking water shall be of reasonable temperature and the means to drink water (cups, etc.) must be safe and sanitary available in an appropriate number.																												July 18 and 19
Evacuation Procedure	In accordance with the Mexican Health and Safety Regulation, Article 17, Clause X, the employer is responsible to install and maintain in appropriate working conditions all the permanent devices for emergency cases.						factory tour		**adidas-Group November 2007 finding:** Cafeteria A building emergency door does not have emergency lights installed.	1) Factory management must install battery-powered emergency illumination and exit signs over all exit doors to be used in case of emergency. 2) Factory management must designate a person to conduct monthly inspections of all emergency lights to ensure they work properly.										Pending	Cafeteria area is provided with emergency battery-operated lights in emergency exits.	factory tour	Completed	Factory has been hiring more workers, about 135 since March 2010. As a result, space available in cafeteria been reduced to the extreme that workers have to run at lunch time to have a table inside. Also, are long lines in order to use microwaves available for workers. This is critical as workers have been injured while running to cafeteria; implicating medical leave for 21 days in at least 1 case. Also, factory has stored large number of boxes in 1 cafeteria building, leaving less room available for workers at lunch time. Some workers have to eat outside cafeteria, exposed to sun and heat. Factory only has 1 lunch shift for all employees. Factory should implement solutions to solve overcrowded cafeteria buildings, e.g., setting different lunch breaks, building additional cafeteria space, not using cafeteria as storage area.	factory walkthrough, photos taken, document review	Ongoing	Boxes inside cafeteria removed and factory acquired additional tables and chairs for workers. Management posted information for workers indicating for them not to run when going to the cafeteria.	photos, Corrective Action Plan, factory documentation update	Ongoing	July 18 and 19
Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting, etc.). Emergency evacuation drills should also be conducted at least annually.	Male dormitory has only 1 point of exit for emergency evacuation. Dormitories are integrated within factory building. Men's dormitory located on an upper (2nd) level and houses approximately 15 workers in 1 room. There is only 1 point of exit from this room that leads into the factory. Once in the factory, egress is dependent on evacuation through emergency exits.				factory tour		Male dormitory will be relocated to [City name]. By the end of February, Chinese male workers will all have moved to the dormitory in [City name].	The factory will remove this dormitory facility. The workers will be relocated to proper housing.	31-Mar-06	The dormitory is still existing. Factory informed PC about this. Factory installed an additional emergency exit to ensure male workers have 2 emergency exits to use in case of an emergency.		Pending	The factory installed an additional emergency exit in the male dormitory; however, the exit does not have an emergency light. There are no windows in the dormitory; cigarette smell and cigarette butts were found, indicating that workers are allowed to smoke in the dormitories. Also, dormitories are in the same building as the factory.	factory tour	Pending	The factory did relocate the male dormitory outside the factory building and production areas. However, it was noted that the new male dormitory does not have emergency lights or windows to ventilate the area.	factory tour	Pending	New dormitory has emergency lights, windows and air conditioner system to ventilate the area.	factory tour, photos	Completed	Management made additional dormitories available for workers inside production area (sewing); however, this room does not have additional emergency light. Cigarette smell and cigarette butts found, indicating workers are allowed to smoke in dormitories. Also, female dormitories are in same building as factory. Factory must ensure dormitories are not located within production area. Dormitories should be relocated to area separate from working areas. Factory must ensure all dormitory facilities meet minimal safety conditions (install fire alarm and emergency exit), be clean and be well maintained. As same issue found in October 2007, and factory again installed dormitory for male workers inside production areas, adidas-Group will implement enforcement actions.	factory walkthrough	Ongoing	Dormitories for Chinese male workers relocated outside production area. Emergency lighting was installed inside men's dormitory and per factory photos, are well maintained and clean. Supplier has not shared proof of fire alarm installed in male's dormitory. Per government letter shared by factory, they are working on a project to relocate women's dormitory. The document does not mention completion date of this project.	Corrective Action plan, photos, local government document	Pending	July 18 and 19
7. Freedom of Association and Collective Bargaining																														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																														
Collective Bargaining Agreement (CBA)							document review, employee interviews		**adidas-Group November 2007 finding:** During factory document review and employee interviews noted there is no evidence that employees take active part in the process of negotiation and terms of the Collective Bargaining Agreement.	1) Factory must ensure that employees take part in decisions concerning Collective Benefits negotiations and in trainings fir the workforce. 2) Factory management must ensure that all employees are aware of the obligations and benefits included on the CBA and provide information to workers about their union representative. *Documentation to be submitted:* Copy of documents where workers are informed about their rights and obligations included on the CBA, training materials used.								Factory has not taken action about this issue.	employee and management interviews	Pending	Factory has not taken action about this issue. In fact it is not clear if the factory is unionized, since CBA was not available for revision during the visit. Workers are not sure if there is a trade union at the factory that represents them.	worker interviews, document review, management interview	Pending	There is a trade union in the factory. However, workers do not know about trade union representatives or content of CBA. There are no union representatives at factory that may inform workers about union and its activities. Also, factory management does not provide training to workers regarding CBA. Factory must ensure union representatives take part in decisions concerning collective benefits negotiations and trainings to workforce. Factory management must ensure all employees are aware of obligations and benefits included in CBA, provide information to workers about content of CBA and Internal Rules and maintain documentation about such trainings. Also, factory should provide workers with a copy of CBA.	worker interviews, document review, management interview	Pending	Photo of posted CBA submitted. Additional documents (photos) of FOA trainings were also provided. Per factory action plan, all workers are being provided with a copy of Internal Rules. Content and effectiveness of training to be verified during next factory visit.	photos and union registration documents; list of workers who signed that they received copy of Trade union document	Pending	July 18 and 19
Collective Bargaining Agreement (CBA)																														July 18 and 19
8. Wages and Benefits																														
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.																														
Wage Benefits Awareness	In accordance with the Mexican Labor Code Articles 67, 68 and 71.								**December 2007 adidas-Group Visit:** During payroll review for November 2007, it was noted that the Chinese employees working at the factory are not compensated at legal rate for overtime hours worked.	1) Factory must pay following OT rates: double time for first 9 OT hours a week, triple time premium for additional OT worked in same week, 25% of their salary premium when employees work on Sunday. (Articles 67, 68 and 71 Mexican Labor Code). 2) Management must ensure OT policy of CBA includes OT compensation for Chinese workers. 3) This policy must be verbally communicated to Chinese employees and posted in simplified Chinese in accessible areas for workers for review.														Chinese workers do not stay to work overtime according to payroll and time cards from these workers. This was verified during interviews with 2 Chinese workers and by comments by local workers.	Payroll, time cards review, factory visit	Pending				July 18 and 19
Wage Benefits Awareness	In accordance with the Mexican Labor Code Article 25.								**December 2007 adidas-Group Visit:** There are inconsistencies about wages/benefits compensation for Chinese workers. Chinese employees' document review found their labor contract specifies they will be compensated in local currency (Mexican pesos), but Chinese workers are compensated in foreign currency (US dollars). Factory representative emphasized payment currency is agreed between 2 parties with fixed exchange rate at date of contract signed. Also, in practice, Chinese workers compensated every month, verified by paycheck Chinese workers receive and sign every month. However, payroll registers indicate they are paid every week, but according to management this is only done for Social Security process.	1) Wage/Salary compensation needs to be consistent in practice with what is established on labor contracts (Chinese workers to receive compensation every month) and payroll records should reflect this. 2) Factory has to eliminate practice of having weekly payroll records for Chinese workers, when in practice they are compensated every month. Otherwise, factory management must change labor contracts indicating that workers will be paid weekly.										Pending	Chinese workers are being compensated in Mexican pesos; every week workers sign pay slips that verify this practice. All wages received are included in the Social Security Scheme.	payroll review, management interview	Ongoing	Chinese workers are being compensated in Mexican pesos and every week. Workers sign pay slips that verify this practice. All wages received are included in the Social Security Scheme.	payroll review, management and worker interviews	Completed				July 18 and 19
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	No posting in factory of local legal minimum wage.				factory tour, document review			1) Factory to include, as part of its worker handbook, a wage policy that provides detailed information on the following: a) pay structure; b) wages paid for regular, overtime, rest, holiday work; c) all legal and agreed upon deductions; d) how all hourly, piece rate work, bonuses and other incentives are calculated; e) timekeeping requirements; f) pay days. 2) Factory to include in its training program ongoing education on its wage policy. *Documentation to be submitted:* Copy of wage policy.	(1, 2) April 30, 2006	Factory is posting signs displaying local minimum wage and how wages are calculated. Management is developing a policy to educate all new employees on wage calculation. PC to continue to monitor this issue, and check additional documentation to ensure workers are properly trained on wage calculations.	photos, factory tour	Pending	No wage calculation information signs posted at factory. Factory should ensure workers are aware how wages are calculated and what the local minimum wage is. Factory should provide training to employees on wage calculation every year.	factory tour, management interview	Ongoing	Management trained employees about how their wages are calculated. There is information posted on the cafeteria about this available for all employees.	factory tour, management interview.	Completed										July 18 and 19
9. Hours of Work																														
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least 1 day off in every seven day period.																														
Working Hours									**adidas-Group December 2007 Finding:** Time card review found that Chinese employees only punch in on the time recording system when their work shift starts and when they come back to work after their lunch break, but do not punch out when they conclude their shift.	1) All workers must record their own working hours. Workers must be informed about this requirement and be trained to register their working hours. 2) Management to work with Chinese workers' supervisors in the development of proper procedures to ensure all working hours, including overtime, are registered. Procedures must be endorsed by management and published.										Pending	Chinese workers did not punch out during most part of December 2008. However, in January 2009 they started to punch out again. No evidence that management worked with Chinese workers in creating proper procedures to ensure all working hours are properly registered.	management interview	Pending	Workers from screen printing area did not punch out during overtime hours work on April 2010 pay periods. Management must ensure that all workers punch in/out at the beginning and end of their workday, including during OT. Management should verbally communicate to all managers, supervisors and workers time recording system requirements.	payroll, time cards, OT approval forms	Pending	OT policy is posted and available for all workers. Workers trained by management to register all working hours including OT. Also, supervisors and personnel from HR department will inform new employees about this policy and procedure.	OT procedure, photos of meeting about working hours registration, factory action plan	Ongoing	July 18 and 19
Working Hours	In accordance with the Mexican Labor Code, Article 61.						time cards, document review, management interview		**adidas-Group November 2007 finding:** Time card and payroll review found that factory management has established a night shift which surpasses legal limit of 7 hours per day for night shift - Article 61, Mexican Labor Code.	1) Factory must ensure all working hours shifts are scheduled in a way that respects work hours limits established by Mexican Labor Code. 2) Factory must evaluate capacity and productivity of current workforce and determine if an additional shift is necessary. 3) Management must develop OT policy, indicating all OT is strictly voluntary, ensuring that this will not violate 60 hour/week work limit. Policy should be communicated to all supervisors, managers and workers. *Documentation to be submitted:* Copy of OT policy, including night shift work hours respecting Mexican Labor Code limits.										Pending	There has been no need to work OT in the past 5 months, including for Chinese workers. However, factory has not drafted an OT policy indicating that OT is voluntary.	document review, management interview	Pending	Workers from screen printing area worked more than 60 hours per week including OT during April 4 -10 pay period. Also during this pay period, 1 worker from screen printing area was paid 9 OT hours a week late. This was because OT hours were not reported to payroll management on time. Workers from screen printing area worked 12 hour shifts a day during April 2010, working an average of 72 hours a week.	payroll, time cards, OT approval forms	Pending	OT is performed in cases of emergency and all compensations are made on time. Copy of trainings for workers and supervisors on OT policy was sent to SEA for verification.	meeting photo, OT procedure, OT policy, factory action plan	Ongoing	July 18 and 19
10. Overtime																														
Also to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																														
									adidas-Group December 2007 Finding: Work hours verification found that Chinese employees compensated in cash when they work overtime on Saturdays and Sundays. This compensation is not included on the factory's payroll.	1) Factory management must ensure that all compensation made to employees is included on payroll records. 2) Practice of making direct cash payments to Chinese employees should be eliminated. 3) Factory management must create policies that ensure that all compensation made to employees is included on official payroll documentation. Also, management must appoint a person to verify the implementation of these policies.											1) Management commented that all compensation made to employees is included on payroll records. This was also verified in payroll records from last 3 months. Has been no OT work at factory in recent months. 2) Practice of making direct cash payments to Chinese employees has been eliminated. 3) Management created OT Compensation Policy and posted it on factory production floor. Policy includes commitment from management to eliminate direct cash payments. Also, it explains how OT hours should be compensated every week for workers who work on Sundays or holidays, according to Mexican Labor Code.	document review, payroll records, pay slips, manager interview, photos of posted policy	Completed							July 18 and 19
Miscellaneous																														
Documentation Verification							document review, management interview		**adidas-Group November 2007 finding:** There are approximately 54 Chinese employees working in factory, some working as supervisors and instructors, some as sewing or cutting operators. During audit, workers' files for Chinese workers requested, e.g., labor contract, residency permits, work visas -fm3 forms, ID cards. However, these documents were not available for review since person who keeps this information was not in factory on day of audit.	1) Factory must create and comply with policies and procedures to maintain a complete personnel file for each Chinese worker at this factory. File should include official ID, labor contract, work visa, trainings attended by employees, job description, all documents should be photocopies of originals. 2) These files should be kept available at all times for review since Chinese workers' official labor situation should be reviewed along with those of national workers. *Documentation to be submitted:* Copy of policy about Chinese workers' personnel files and name of officer responsible for this.				Pending				The Chinese workers' files were available for review; however, their documents are not kept in 1 single file. Policies and procedures have not been created regarding this issue.	document review	Pending	Tthe Chinese workers' files were available for review; however, there are some documents still missing in their files, such as the current authorization from the Immigration institute to work in Mexico. Policies and procedures have not been created regarding this issue.	document review	Ongoing	Copy of current immigration authorization from Mexican Government not included in workers' files in at least 7 cases. Per management comment, all Chinese workers have current immigration authorization. Management must ensure to include copy of current authorization to work in Mexican territory from National Immigration Institute for Chinese workers in their personnel files. Factory should ensure that copy of new ID-sized immigration form is included in workers' files. Policies and procedures have not been created regarding this issue.	document review, Chinese workers' records review	Pending	Management included copy of current authorization from the National Migration Institute for Chinese workers to work in Mexican territory.	copies of ID-sized immigration authorization forms, documentation review, corrective plan	Ongoing	July 18 and 19