

FLA Audit Profile	
Country	Albania
Name of Factory	530001609F
Independent External Monitoring Organization	Balkan Institute for Labour and Social Policy
Date(s) in Facility	August 1-2, 2007
FLA Affiliated Compan(ies)	adidas Group
Number of Workers	257
Product(s)	swimming suits, fitness sportswear
Production Processes	sewing, cleaning, stamping, quality control, ironing, labeling, packing

In September 2007 adidas Group's SEA Team began to work on a remediation plan for this factory. However, in early 2009, adidas' sourcing department terminated this factory due to production related issues. As a result, adidas' Social and Environmental Affairs Department was unable to ensure that all open non compliances were properly remediated by factory management.

FLA Code/Benchmark	Compliance Status	Describe noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	List sources/documentation used for reference and corroborating evidence (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference	Describe notable features implemented by factory management or Company
1. 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 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.	Noncompliance	The Code was posted but the workers were neither informed orally about the Code nor have undergone any trainings. There was not appointed staff to implement the factory's compliance program	worker and management interviews		
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.	Risk of noncompliance	Communication channels may not be used since phone call costs are relatively high and e-mail access is very limited	worker interviews		
Other	Risk of noncompliance	No information on local laws was posted. No evidence on staff trained in all the areas under the responsibility of the Company including international and national labor standards, local languages, occupational and production risk factors, and techniques for monitoring, interviewing and remediating.			
2. Forced Labor					
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.					
3. Child Labor					

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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 or abuse.					
H&A.5 Discipline/Written Disciplinary System	Risk of noncompliance	No records or register is available on disciplinary practices.	record review		
5. Non-Discrimination					
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.					
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.					
H&S.1 General Compliance Health and Safety	Risk of noncompliance	Although there was an OSH policy in the factory, no procedures for its implementation were in place. Risk assessment was not carried out by the employer. Mechanisms for consulting the employees on OSH issues did not exist.	management interview, factory walkthrough	Code of Labour of the Republic of Albania (Law No 7961 of 12.07.1955), Decision of the Council of Ministers No 418 of 4.8.2000	
H&S.2 Document Maintenance/Worker Accessibility and Awareness	Risk of noncompliance	There was no current copy of the labour legislation in the factory. The Code of Labour was available to the workers upon request only.	management interview, factory walkthrough	Code of Labour of the Republic of Albania (Law No 7961 of 12.07.1955)	
H&S.3 Written Health and Safety Policy	Risk of noncompliance	There is a policy but no written procedure exists and nobody was specially assigned to supervise the policy.	management interview, document review		
H&S.4 Worker Consultation	Noncompliance	A consultation mechanism with employees on OSH related issues was not in place.	management interviews		
H&S.5 Health and Safety Management System	Noncompliance	There were no written procedures and no people assigned to follow the policy.	management interviews		
H&S.6 Communication to Workers	Noncompliance	The OSH policy is not communicated to the workers.	management interviews, factory walkthrough		

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H&S.7 Notification and Record Maintenance	Risk of noncompliance	The employer did not maintain the accident register required by the law.	records review		
H&S.9 Evacuation Requirements and Procedure	Risk of noncompliance	There were no reliable records on the performance of evacuation drills with all employees (no lists of evacuated and trained workers).	records review		
H&S.13 Chemical Management and Training	Risk of noncompliance	The employer did not maintain a list of dangerous substances that is required by the law.		Code of Labour	
H&S.15 Chemical Management for Pregnant Women and Young Workers	Risk of noncompliance	There was no procedure to guarantee that pregnant women and young workers will not be assigned work using chemicals (cleaning and spot removal).	management interview, records review	Code of Labour	
H&S.16 Protection Reproductive Health	Risk of noncompliance	There is no procedure to guarantee that pregnant women will not be assigned work using chemicals (cleaning and spot removal).	management interviews, records review		
H&S.20 Bodily Strain	Risk of noncompliance	The chairs of sewing workers are not ergonomically designed. The ironers work more than 4 hours continuously in standing position without additional breaks. This might cause bodily strains.	factory walkthrough		
H&S.21 Medical Facilities	Noncompliance	The appointed part-time based medical doctor does not have the license to work as an occupational doctor required by the law.	management interview, factory walkthrough		
H&S.23 Toilets	Risk of noncompliance	Water for washing hands, soap and drying means are not available during the breakdowns of the water supply.	factory walkthrough	Code of Labour	
7. Freedom of Association and Collective Bargaining					
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.					
FOA.4 Deduction of Union Dues and Other Fees	Noncompliance	Union fees are deducted without consent of the workers.	worker interviews, record review - pay slips		
8. Hours of Work					

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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 one day off in every seven day period.					
HOW.1 General Compliance Hours of Work	Noncompliance	Overtime in excess of the limits allowed by the law.	worker interview, document review	Code of Labour of the Republic of Albania	
HOW.8 Overtime/Reduced Mandated Overtime	Noncompliance	Overtime in excess of the limits allowed by the law.	worker interview, document review	Code of Labour of the Republic of Albania	
HOW.11 Extraordinary Business Circumstance/Forced Overtime	Risk of noncompliance	In the current Collective Bargaining Agreement there was a specific point of an article that had the risk of potential forced labour. (Quote: "... In the cases of work interruption because of force majeure, the missed working days will be considered holidays and will be replaced on national holidays or weekends...")	Collective Labour Agreement		
HOW.22 Suspension of Work	Risk of noncompliance	The factory does not have a policy for termination/retrenchment for operational purposes.			
9. Wages, Benefits and Overtime Compensation					
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.					
OVERTIME COMPENSATION: In addition 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.					
WBOT.1 General Compliance Wages, Benefits and Overtime Compensation	Risk of noncompliance	The factory did not ensure that severance and final settlements are made according to local laws.	record review workers and management interviews		
10. Miscellaneous					
Subcontracting, homework and other issues not covered by above benchmarks and code requirements.					

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MISC.1 Illegal Subcontracting	Risk of noncompliance	A second facility in a nearby town is established.	management interviews, pre-audit information		