

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### **What is a Tracking Chart?**

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### **What a Tracking Chart is NOT -**

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]", etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Monitoring Visit Profile	
Country	Mexico
Factory name	01005020B
IEM	Verite
Date of audit	6/25/02
Days in the facility	8/15/02
PC(s)	adidas-Salomon
Number of workers	465
Product(s)	
Production processes	sewing, cutting, packing

		Findings						
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation	
<b>1. Code Awareness/ Informed Workplace</b>								
I. Employment and Personnel Policies	FLA Code of Conduct is not posted in factory. Only specific brand Code of Conduct is posted.	Participating companies Code of Conduct is posted and training provided on brand codes. No action required. Brands will continue to provide training on Codes of Conduct.	No action required	Closed				
	No national or local labor laws posted (in Spanish)	Post national and local labor laws in Spanish in a public place on the factory floor.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Labor laws posted on public notice board.	
	Insufficient personnel policies; policies not posted in prominent location in factory	1) Create comprehensive written policies and procedures on: Wages, Benefits, Deductions, Leave/Vacation, Regular and Overtime hours, Overtime rates, Disciplinary practices, Termination, the Grievance system, and Harassment and Abuse. 2) Post a copy of the personnel policies and procedures in a public place in the factory. 3) Distribute a copy of the written policies and procedures to all workers.	Non-compliant, remediation required	Closed	March 15, 2003	Complete	Oct 02; Policies on wages, benefits, deductions, leave/vacation, regular and overtime hours, overtime rates, disciplinary practices, and Harassment and Abuse have been created, posted and distributed to all workers.	
	Some (2) workers reported not having a written employment agreement.	Provide all workers with a copy of their employment contract. Post CBA (Collective Bargaining Agreement) in a public place. Inform all workers that they may have a copy of the CBA upon request from Human Resources department.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Workers are provided copies of their contract ([after their 3 month] probationary period as allowed by law) after which they are considered permanent workers and covered by the Collective Bargaining Agreement (CBA). Management has posted CBA and will provide workers with a copy upon request.	
	Most workers do not have permanent status with the factory. Workers sign temporary employment agreements every month.	Provide all workers with more than 3 months at the factory with permanent employment status. All workers should sign a permanent employment contract with the factory (tiempo indefinido) with a clause stating 3 months probationary period as allowed by law.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; All workers sign individual probationary contract (for three month period, as per law) then are enrolled as permanent employees and covered by the CBA.	
	Personnel files of dismissed or terminated workers were not available.	Retain personnel files of dismissed or terminated workers for at least 5 years.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Factory management has begun and will continue to retain files of terminated or dismissed for a period of 5 years.	

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
Discipline and Termination	No standardized application of discipline and termination procedures	Workers and supervisors should be provided clear, written rules and guidelines for discipline and termination. 1) Factory management should create and publish factory rules that define acceptable and unacceptable actions and the relevant disciplinary actions. Ensure that there is an appropriate relationship between the rules, violations, and the resulting disciplinary action. Create a termination policy that clearly defines termination procedures. 2) Post the work rules and disciplinary policy in several public places in the factory. 3) Provide employees with a copy of the policy and then follow up training. 4) Provide supervisors with a copy of the policy and then follow up leadership training. 5) All workers should be aware of the formal grievance procedures or appeal system. Management should identify a confidential non-compliance reporting mechanism and provide training on grievance procedures to all workers. Include training in orientation.	Non-compliant, remediation required	Closed	January 30, 2003	Complete	Oct 02; Management has created written rules, posted rules, written copies distributed, and workers and supervisors informed of the rules. New workers provided written rules and verbal explanation in orientation.
	Punitive deductions used as disciplinary measure	There should be reasonable factory rules and a direct relationship between the factory rules and the disciplinary action. No punitive deductions should be used as a form of discipline. 1) Create a policy banning financial deductions or penalties as a form of discipline or punishment. 2) Inform all workers and supervisors of the policy. 3) Post the policy in a public place.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Policy has been created, posted, and all workers informed.
	Employees required to sign resignation letters after being fired	Workers should not be required to sign resignation letters either prior to employment or after being fired. 1) Create a termination policy that clearly defines termination procedures (including procedures for when a worker resigns and for when a worker is fired). 2) Inform Human Resources department and all current employees of the procedures. 3) Provide a copy of the written procedures of termination to new employees at orientation. 4) Post the termination procedures in a public place in the factory.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; A former management practice of requiring workers to sign termination letters was stopped in June 1999. Current management does not permit this practice. Termination policy created, posted and all workers informed.
Grievance Procedures	Grievance procedures are ineffective according to employee interviews	1) Establish a system of appeal or grievance for employees. Provide a method for employees to report a grievance or unauthorized form of discipline or punishment. Employees should be free to report a grievance without fear of penalty, dismissal or reprisal of any kind. 2) Inform all workers of the grievance system and procedures. 3) Post the explanation of the grievance system and procedures in a public place. 4) After system is implemented, conduct an anonymous survey of workers to evaluate if grievance system is effective.	Non-compliant, remediation required	Closed	January 31, 2003	Complete	Oct 02; Grievance procedures created, posted, and workers informed.

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
<b>2. Forced Labor</b>							
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise							
Freedom of Movement	Workers have been barred from physically leaving the factory	Workers should be allowed to freely exit the factory at any time. 1) Create a policy by October 15, 02 that prevents supervisors or guards from using force or restraining workers from leaving production areas or the factory grounds. 2) Inform all workers and supervisors of the policy. 3) Post policy in a public place in the factory. 4) Create a system for tracking workers in the event they leave without explanation during regular working hours.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Management stated that the policy is that workers are free to move about the factory and exit the factory at any time; it is prohibited to detain or refuse exit of the factory. Supervisors and workers have been verbally informed of the policy. Written policy has been created, posted, and workers informed of policy.
	Restricted use of toilet facilities	Workers should not be restricted from using toilet facilities. Provide unrestricted access to bathroom facilities, drinking water, and other basic facilities. Inform all supervisors of this right. Eliminate any restrictions placed on workers for the access of basic facilities.	Non-compliant, remediation required	Closed	Immediate and Ongoing	Complete	Aug 02; Management committed to ensuring that workers are not restricted from using facilities. Management has reinforced to supervisors that no restrictions on use of toilet facilities are allowed. Worker interviews revealed that employees are free to use the toilet facilities.
	Restricted use of drinking water facilities	Workers should not be restricted from using drinking water facilities. Provide unrestricted access to bathroom facilities, drinking water, and other basic facilities. Inform all supervisors of this right. Eliminate any restrictions placed on workers for the access of basic facilities.	Non-compliant, remediation required	Closed	Immediate and Ongoing	Complete	Aug 02; Management committed to ensuring that workers are not restricted from using drinking water facilities. Management has reinforced to supervisors that no restrictions on use of toilet facilities are allowed. Worker interviews revealed that employees are free to use drinking water facilities.
<b>3. Child Labor</b>							
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.							
<b>4. Harassment</b>							
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.							
No Harassment or abuse	Verbal harassment and abuse by supervisors reported in employee interviews.	1) Create a policy banning all forms of harassment and abuse of employees by either employees, supervisors or managers. 2) Post the Harassment and Abuse policy in a public place in the factory. 3) Inform all employees of the policy and procedures. 4) Provide training to workers and supervisors on the definition of harassment and abuse and the corresponding disciplinary actions for practicing the behavior. Deal strictly with employees who breach the policy by following the progressive disciplinary system.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Policy has been created, posted and workers informed. Aug 04: Factory management to contract consultants to provide supervisors training on proper treatment of workers and effective disciplinary practices. Perform follow up (i.e. survey workers) to ensure that training was understood, implemented, and effective. In addition, factory management to create and apply progressive disciplinary policy for supervisors. Once policies are created, all mid level managers to receive training on policies.

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
<b>5. Nondiscrimination</b>							
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.							
	Discriminating against female employees based upon their pregnancy status.	1) Factory management should have a written policy for discrimination. The policy should state that recruitment and post-hiring decisions are based solely on the individual's ability to perform the job. The policy should include a statement that no pregnancy testing will be performed or requested of employees. Management should not request a pregnancy test, question applicants of pregnancy status, or have a question about pregnancy on the employment application. 2) Post the non-discriminatory hiring policy in a public place on the factory floor and in the factory clinic. 3) Inform all workers of the policy. 4) Factory clinic personnel should restate the policy prior to any medical exam conducted at the on site clinic. 5) Include a confidentiality agreement in the factory clinic records for employees to sign. The confidentiality agreement should state that all medical information is confidential and will not be released without the permission and knowledge of the patient/employee.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Policy has been created, posted and workers informed of policy. Clinic staff inform workers of confidentiality of medical information.
<b>6. Health and Safety</b>							
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 / Evacuation procedures	No current fire permit posted.	Obtain and post current local fire permit in a public place.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Oct 02; Fire permit posted on public notice board.
	Exits were blocked	All exit doors should be unblocked and unobstructed. Remove stored items to proper storage facility. H&S Committee should regularly check exits to ensure they are not blocked.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Exit doors unblocked. Stored items removed.
	Exits do not have illuminated exit signs	All exits should have illuminated signage. Install illuminated exit signs at each exit door.	Non-compliant, remediation required	Closed	January 30, 2003	Complete	Mar 03; Illuminated signage installed above each exit door.
	Exit doors swing inward or are sliding doors. All exits should open outwards.	All exits should open outwards. Retrofit doors to open out. Sliding doors should remain open during regular working hours.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Sliding doors should remain open during working hours, including overtime hours.
	Aisles were obstructed or blocked.	All aisles should be free of obstruction and unblocked. Remove items from aisles and store properly. H&S Committee should regularly check aisles to ensure they are not obstructed or blocked.	Non-compliant, remediation required	Closed	October 15, 2002	Complete and Ongoing	Aug 02; Aisles unblocked, items removed from aisles. Ongoing monitoring by H&S committee needed.
	Aisles were not clearly marked.	Aisles should be clearly marked. Please clearly indicate aisles.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Aisles repainted and clearly marked.
	Emergency exit routes were not clearly marked or indicated on the floor.	Emergency exit routes should be clearly indicated with markings on floor. Paint arrows indicating emergency evacuation route on aisle floor.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Exit arrows clearly marked, repainted to indicate exit route.
	Emergency evacuation maps not posted in all work areas.	Emergency evacuation maps should be posted in all work areas. Please mount maps in all work areas of the factory.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; emergency exit maps posted in all work areas.

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
	Stairways lacking handrails. Handrails exist on only one side of stairwell.	Install handrails on both sides of the staircases in the packing/shipping and cutting area.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Handrails not installed at time of visit. Management requested additional time for the construction and installation of handrails.
	Electrical cables were exposed and did not have proper casing. There were spliced wires and improperly grounded electrical equipment in the finishing and ironing areas. Management explained that factory was undergoing remodeling.	All electrical cables should have proper casing and insulation. Wires should not be spliced or taped together but should be one single uninterrupted piece. Wires and electrical equipment should be properly grounded, particularly in the finishing and ironing areas.	Non-compliant, remediation required	Closed	October 15, 2002	Complete and Ongoing	Aug 02; Factory was undergoing construction at time of audit. Electrical cables currently have proper casing and insulation. Wiring maintenance performed in Aug 02; spliced wires repaired and electrical equipment grounded. Electrical connections and wiring should be part of ongoing H&S check and maintenance service plan.
	No explosion proof lights where chemicals are stored.	Install explosion proof lights in the chemical storage area.	Non-compliant, remediation required	Open	May 30, 2003	Not Complete	Oct 02; Explosion proof lights not yet installed. Management requested additional time to plan for purchase and installation expense. Projected completion date May 30, 03. Dec 03; Management stated that due to budget concerns they would need additional time for purchase and installation expense.
	No emergency lighting installed.	Install emergency lighting in every work area of the factory. Test emergency lighting monthly and maintain a record of the tests.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Additional emergency lights installed in storage/warehouse area and spot cleaning area. Emergency lights tested monthly and documented.
	No regular testing of alarm system. No records available. Emergency lighting system should also be checked and records maintained.	Alarm system should be tested regularly and records maintained on file. Maintenance should create schedule for regular tests of the alarm system and document. Check emergency lighting system monthly, document tests, and retain documented tests on file.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Oct 02; Alarm system tested regularly and documented. Emergency lights tested monthly and documented.
	No regularly conducted fire drills	Conduct regular fire drills (minimum 2 times a year), record time elapsed to evacuate entire factory, retain records of date/time and time elapsed on file.	Non-compliant, remediation required	Closed	February 28, 2003	Complete	Oct 02; One fire drill conducted in Sept 10, 02 (2 min evacuation time, documented and on file) and a second completed Feb 03.
	Less than 5% of the workforce is trained in the use of fire extinguishers. At least 20% of the workforce should receive hands on training in the use of fire extinguishers.	Train at least 20% of the workforce in hands on use of fire extinguishers. Training should be planned at a minimum of once a year. Training program should be part of the H&S policy. Please advise of date of training.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	72 people participated in use of fire extinguisher training on Dec 15, 02.
	Instructional posters detailing fire emergency instructions were not posted in factory.	Post instructions for fire emergency in several areas of the factory. Check with the local fire department for material.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Fire emergency instructions posted in 3 places on production floor.
First Aid kit	First Aid kit did not include a tourniquet	Include a tourniquet in the First Aid kit.		Closed	December 30, 2002	Complete	Tourniquet included in clinic first aid kit.
	Outside of factory is untidy and accumulated debris may be hazardous.	Regular cleanup of factory grounds is needed. Accumulated trash and debris may be hazardous. H&S Committee should verify that regular cleaning of outside of factory occurs.	Non-compliant, remediation required	Closed	October 30, 2002	Complete and Ongoing	Oct 02; Debris and trash cleared. H&S committee will perform ongoing monitoring to ensure factory grounds are clear of debris and trash.

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
	Toilet facilities were not clean, some sinks did not have running water for hand washing.	All toilet facilities should be cleaned and serviced regularly. All sinks should be in proper working condition and have running water. Have maintenance and H&S Committee verify that toilets are checked and serviced regularly. There should be a management system in place to identify sinks or toilets that need repair and set a time limit for repair.	Non-compliant, remediation required	Closed	October 15, 2002	Complete and Ongoing	Oct 02; toilet and sinks in proper working condition. Cleaning service reports twice daily on conditions of toilet facilities. H&S committee will perform ongoing monitoring to ensure toilet facilities are cleaned and serviced regularly. Mar 03; 18 new women's toilets and 5 new men's toilets installed. Facilities are cleaned and serviced regularly.
	Tables and benches in cafeteria were not clean.	All cafeteria facilities should be clean. Increase number of times cafeteria is cleaned so as to maintain sanitary condition of benches and tables.	Non-compliant, remediation required	Closed	October 15, 2002	Complete and Ongoing	Oct 02; Cafeteria facilities cleaned 2 times a day. H&S Committee to perform ongoing monitoring.
	Ventilation in the cutting, storage/shipping area, and finishing/spot removal station needs to be improved.	1) Please advise of the existing ventilation in the cutting, storage/shipping, finishing/spot removal areas, and chemical storage facility. 2) Please advise of the methods planned to improve ventilation of fumes and dust in these areas. 3) Conduct air quality testing of these areas to determine whether exposure exceeds safety levels.	Non-compliant, remediation required	Closed	December 30, 2002	Complete and Ongoing	Oct 02; Additional venting added to production floor (industrial fan/extractor); finishing/spot cleaning station has been moved to an area with increased ventilation. Daily cleaning of machines and regular factory wide cleaning implemented to reduce dust in cutting and storage areas.
	Factory is neither properly heated nor properly cooled. Temperatures inside factory should be maintained at comfortable levels.	Factory ventilation should maintain air circulation and reduce temperature extremes. Factory should be properly heated and cooled. Please advise of the method management will use to maintain comfortable temperatures for workers in factory and date of implementation.	Non-compliant, remediation required	Closed	February 28, 2003	Complete	Oct 02; An industrial fan/extractor has been added to improve ventilation. Management added an additional industrial fan in the storage area. Ventilation has improved.
	No MSDS posted.	Obtain and post MSDS immediately. MSDS should be posted in areas where chemicals are used and in area where chemicals are stored.	Non-compliant, remediation required	Open	April 15, 2003	Not Complete	Oct 02; General warning signs posted. No MSDS sheets posted. Dec 03: MSDS available in spot cleaning area but not posted. MSDS should be posted clearly in area. Aug 04: No MSDS sheets posted in spot lifting areas. Factory to discontinue use of banned chemicals found during last SEA visit. Factory management to post MSDS sheet of replacement chemical. In addition, all workers should be provided ongoing training on chemical management and handling.
	No eyewash facilities available.	Install eyewash facility within 30meters of the area where chemicals are used or stored.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Oct 02; Eyewash bottle available within 30m of spot cleaning area where chemicals are used.
	No air quality testing.	Conduct air quality testing to ensure that TLV are within appropriate limits.	Non-compliant, remediation required	Open	April 15, 2003	In process	Oct 02; Studies of air quality performed at the end of 2001 revealed that air quality was within acceptable limits. Please advise of the next date of testing. Dec 03; next date of testing planned for first quarter 04; forward results of air quality testing to PC. Aug 04: Factory management to provide SEA team with dates of next air quality tests. Once tests are conducted, please forward results of air quality testing to PC.



Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
	"White gasoline" used as spot remover	Please advise of the chemical used as spot remover. Obtain the MSDS for spot remover. Provide workers with PPE/masks when working at spot removal station.	Non-compliant, remediation required	Open	April 15, 2003	Not Complete	Oct 02; White gas is no longer used as spot remover. Please obtain and post MSDS of the new spot remover. Dec 03; spot cleaner at station is a mixture of white gas and alcohol, which is not an authorized spot remover. Please replace white gas with spot remover as per previous report. Aug 04: Factory has replaced white gas with additional spot remover. During last SEA visit, adidas compliance team asked factory to replace new chemical since it contains adidas-Salomon banned chemical substance.
	Workers did not have access to proper PPE for the job (dust masks, eye protection).	Workers should be provided with proper PPE (masks, gloves, eye protection, hearing protection) for the job they perform. Please obtain and provide workers with proper PPE required for the job.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Workers provided with proper PPE for their job (masks, gloves, eye protection). Please provide hearing protection for workers in packing/shipping area.
	No hearing protection provided to workers in finishing/spot removal station and packing/shipping area.	Provide workers with proper hearing protection in the finishing/spot removal area and the packing/shipping area.	Non-compliant, remediation required	Open	December 30, 2002	Not Complete	Provide hearing protection provided to all workers in spot cleaning area. Dec 03; Workers had been provided hearing protection but the use of hearing protection has not been enforced. Ensure that all workers have hearing protection and are required to use it at all time while working in this area. Aug 04: Workers in spot lifting stations have been provided PPE. At time of last visit, supervisor in spot lifting station did not have PPE. Please ensure all workers in spot cleaning area (workers and supervisors) use PPE provided.
	No instructional posters regarding PPE posted in work areas.	Post instructional posters regarding proper use of PPE in all work areas.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Instructional posters posted in spot cleaning, cutting areas, sewing areas.
	No training on the proper use of PPE or the health risks associated with not using PPE provided to workers.	Provide training (at least once a year) on the proper use of PPE and the health risks associated with not using PPE. Please advise of the date of training on use of PPE.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Training provided to all workers on use of PPE.
<b>7. Freedom of Association and Collective Bargaining</b>							
Employers will recognize and respect the right of employees to freedom of association and collective bargaining							
	As per IEM audit and worker interviews, workers are not free to associate and to join unions of their own choosing without fear of penalty, dismissal, or reprisal of any kind.	1) Factory management needs to understand and be committed to the rights of workers to join and organize associations of their choosing and to bargain collectively. 2) Management should not hinder or obstruct workers who wish to legally associate and collectively bargain. 3) Factory management should to create a worker management communication group and ensure that there are effective, formal communication channels between workers and managers by October 30, 02. The goal of the communications group is to improve communication between workers and management and to promote an informed workplace. The group should a) identify issues for discussion regarding working conditions and workers rights and b) meet regularly, record minutes of meetings and retain on file. Record any changes that are made as a result of the suggestions or discussion in the meetings. Inform the rest of the workplace of issues discussed.	Non-compliant, remediation required	Closed	Immediate and Ongoing November 1, 02	Complete and Ongoing	Oct 02; Worker management communication group meets every 2 weeks. Representatives were asked to volunteer from each module. Minutes of each meeting are recorded and posted on public notice board. Worker interviews revealed that workers are aware of the communication group meetings and of the representatives in their module with whom they may contact and have read the posted minutes. Ongoing monitoring of the effectiveness of the worker/management communication group is needed. Mar 03; communication group meets regularly. Issues recorded and kept on file, issues reported and resolved according to records and employee interviews (i.e. toilets and cafeteria have been improved as per worker committee recommendation; management has responded to worker committee recommendations). Dec 03; Worker management communication group had not met in the last month. Management to forward meeting minutes of the next meeting and resume the communication group meetings.

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
							Aug 04: Worker management communication meetings have been reinstated. Communications Committee to develop meeting schedule and to improve documentation of meeting minutes and outcome. PC to monitor progress of remediation.
	Union members are not provided with certifiable, documentary evidence of membership.	1) Post CBA (Collective Bargaining Agreement) in a public place. Provide name of union and contact information (name, phone number) of union representatives in Employee Handbook. 2) Request that union representatives provide certifiable documentary evidence of union membership to workers (i.e. card).	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; CBA has been posted. Union contact information will be included in employee manual and posted.
<b>8. Wages and Benefits</b>							
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							
Benefits	Workers with temporary, not permanent work status, do not have legally entitled retirement and workman's compensation benefits. Workers should be provided benefits within the first week of employment.	Provide all workers with legally mandated benefits within first week of employment.	Non-compliant, remediation required	Closed	Immediate and Ongoing	Complete	Aug 02; Records indicate that all workers are provided benefits starting from the first week of employment; benefits are provided for temporary and permanent workers.
	Workers do not receive a written copy of employment benefits.	Provide all workers with a written copy of employment benefits. 1) Provide a written copy of employee benefits to distribute to workers at new hire orientation. 2) Provide existing employees with a copy of employee benefit information. 3) Inform all workers on the employee benefits. 4) Post copy of benefits information in public place in the factory.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Copy of benefits written posted, and distributed to all workers.
Pay Practices	Worker's pay stubs do not detail regular and overtime hours separately. Pay stubs are recorded using code number system which is not understood by workers.	Separate regular hours and overtime hours on employee wage statements. Provide an explanation of the codes on wage statement so that workers may understand.	Non-compliant, remediation required	Closed	October 15, 2002	Complete	Aug 02; Wage statements provided to workers detail regular and overtime hours separately. Wage stubs retained by Human Resources department use a code system for their records which are not the same as the pay stubs that workers are provided.
	Saturday work hours are not recorded using the automatic time card system, they are recorded manually.	Record all work hours, including Saturdays, with the automatic time card system.	Non-compliant, remediation required	Closed	Immediate and Ongoing	Complete	Aug 02; All work hours, including Saturdays are recorded with the automatic time card system.
Contracts	IEM employee interviews revealed that workers without contracts were asked to leave the factory on the day of a pending audit visit by external auditor in January 2001.	Factory management investigated the allegation and in employee interviews found that in January 2001 temporary workers without contracts or social security coverage were required to leave the factory prior to external auditor's visit. Factory management provided a written commitment letter to adidas confirming that this did occur with a Human Resources manager no longer working with the factory. The letter commits to ensuring that all employees have indefinite contracts and are enrolled in social security as per Mexican law. This will be a point of ongoing monitoring.		Closed	Ongoing monitoring	Complete and Ongoing	Oct 02; This point was not listed as a remediation item; however it is included in the report as a means to ensure compliance with wages/benefits and to monitor worker/management communications. As per worker interviews from October 24, 02, workers have contracts and/or permanent status with factory, receive mandated benefits, and either participate directly in the worker/management communications group or are aware of its function and purpose. Mar 03; as per worker interviews, all employees have permanent contracts and are aware of worker management committee and grievance procedures.
<b>9. Working Hours</b>							
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							

Findings							
FLA Code/Non-compliance issue	Monitor findings	Description of issue and action required	Resp. Party or Level of action	Status	Due Date	Follow Up result	Follow up comments/remediation
	Overtime is not strictly voluntary.	Overtime should be strictly voluntary. 1) Create a policy that states that all overtime is strictly voluntary and workers can refuse overtime without penalties, punishment, or dismissal. 2) Inform all workers and supervisors of the policy. 3) Post the policy in a public place in the factory. 4) Announce the need for overtime in advance. 5) Create a system for collecting volunteers for overtime (i.e. sign up sheet) and maintain on file. Only those workers that choose to work overtime should stay. All others should be free to leave the factory and not prohibited from leaving.	Non-compliant, remediation required	Closed	December 30, 2002	Complete	Oct 02; Policy has been created, posted and workers and supervisors informed of policy. Supervisors trained on system for collecting volunteers to sign up for overtime.
	Working hours per week have exceeded the 60 hr per work week maximum.	Maximum working hours per week are 60 hrs. Workers should not work more than 60 hrs per week except in extraordinary conditions; supplier should provide advance notice to the brand in this situation.	Non-compliant, remediation required	Closed	December 30, 2002	Complete and Ongoing	Oct 02; Management stated that 4 people worked more than 60 hours in 2002. Management agreed to provide advance notice to brand in the event that extraordinary conditions require exceeding the 60 hour work week limit. Management (Human Resources) created a system to track working hours weekly to prevent excessive working hours. Mar 03; No excessive working hours recorded or reported in interviews. Dec 03; No excessive working hours reported.
<b>10. Overtime Compensation</b>							
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.							
	Workers are not paid legal overtime rates. Workers work overtime to finish production goals without correct compensation.	All overtime should be paid according to the legally required rates. Any work performed after regular hours should be considered overtime and paid accordingly. Next pay period should include correct overtime payment.	Non-compliant, remediation required	Closed	December 30, 2002	Complete and Ongoing	Oct 02; Some workers were sewing after the regular work schedule. One module of workers stated that they were working overtime and volunteered for overtime hours. Other workers in the sewing area were working to finish production goals. Pay workers for all hours worked, even to finish production target; reinforce to worker and supervisors that workers should leave at the end of the regular work shift unless they have volunteered for and been approved to work overtime. Mar 03; all workers paid for overtime, workers not working overtime leave the factory after regular working hours. Dec 03; All workers paid for overtime; workers must clock out and leave factory when regular hours are over.