

FLA Audit Profile		Independent External Verification	
Country	Mexico	Country	Mexico
Factory name	26005005D	Factory name	26005005DV
IEM	Accordia Global Compliance Group	IEM	Accordia Global Compliance Group
Date(s) in facility	November 14-15, 2005	Date(s) in facility	October 13, 2009
PC(s)	Russell Athletic	PC(s)	Russell Athletic
Number of workers	469	Number of workers	
Product(s)	Athletic wear	Product(s)	
Production processes	Cutting, Screen-Printing (Impression), Sewing, Finishing	Production processes	

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Remediation		[Status]	Third-Party Verification		Company Verification Follow up	
			Factory Response (optional)	Company follow up		External Verification	Documentation	Company Follow up	Documentation
				Company follow up May 25, 2005	Completed; Pending; On- going	External Verification October 13, 2009	Documentation	Company Follow up	Documentation
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.	Due to an administrative omission, we had not posted the FLA Code. This has been corrected and several copies of the Code have been posted in strategic areas of the facility so every employee can be informed of its contents, in addition to this, the Code was distributed by email to all the supervisory and administrative staff.	Corrected since 12/8/05	Completed	COMPLETED - During the factory tour it was observed that the Russell Athletics Code of Conduct was posted in strategic areas of the facility, such as the canteen, main entrance, worker entrance and HR office.	Visual Observation		
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.	Same as above.	Corrected since 12/8/05	Completed	PENDING - During the workers and management interviews it was observed that no documentary evidence was present to show that the company has provided FLA Code training to the workers.	Worker and management interviews	The Company is including the Code of Conduct training during employees' inception and annually along with open door policy training.	Training Document
Confidential non-compliance reporting channel		FLA Principle of Monitoring, Obligation of Companies: 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.	HR Corporate will work with the third party company that manages this service to ensure that the access to a Spanish speaking representative is effortless and expedient.	Pending	Pending	COMPLETED - The auditor tested the hotline provided by Russell to the suppliers and noted that Spanish speaking assistance was available within 3 minutes.	Testing of hotline		
2. Forced Labor									
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or									
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									
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.									
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 Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement	The case reviewed by the auditing company was for an specific job that required the applicants to be standing for the length of their workday. There is a policy of no discrimination and we reviewed it to include age as a non-discriminatory factor.	Corrected since 12/8/05	Completed	COMPLETED - The factory has established a policy of non-discrimination which includes various applicable factors.	Document Review		
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									
7. Freedom of Association and Collective Bargaining									
Employers will recognize and respect the right of employees to freedom of association and collective bargaining									

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Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment	We modified the policy of free association to ensure it is clear that we respect the right of our workers to join social organizations as well as organizations that represent labor and human rights.	Corrected since 12/8/05	Completed	COMPLETED - The policy of free association includes unions as social organizations.	Document Review		
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									
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	There was an operating procedure that did not allow the mechanics to earn overtime payment. This procedure has been modified so we can record the actual time worked .	Corrected since 12/8/05	Completed	COMPLETED - The factory has implemented software which monitors the time that the workers stay in the facility	Document Review		
Voluntary Use of Benefits		All workers have a right to use or not to use employer provided services, such as housing or meals	We developed a procedure to ensure all the workers have the freedom to choose to participate in the savings fund, their acknowledgement and acceptance will be duly recorded in their personal files .	Corrected since 12/8/05	Completed	PENDING - During the document review and workers and management interviews it was observed that the employees do not have the freedom to chose for themselves to participate or not to participate; participation is mandatory with a 3% deduction from worker wages.	Document Review, Workers and Management Interviews	All the employees sign an agreement to participate in the saving fund, these agreements were shown to the auditor, we only changed the wording on the SOP to emphasize that this participation is voluntary.	Formato Fondo de Ahorro, SOP Fondo de Ahorro, SOP Fondo de Ahorro- Revisado
Accurate benefit compensation		All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled	The contracts were modified to state the hire date of all the workers.	Corrected since 12/8/05	Completed	PENDING - During the document review it was noted that 4 of 25 personnel files contained worker contracts that do not state the hire date.	Document Review	The contracts were modified to have one temporary for 30 days for the trial period followed by their permanent contract. The permanent contract will state the same hire date as the temporary contract.	New Permanent contract
Other	Ley Federal del Trabajo, Article 110, Clause 4 – [translated from Spanish] "Deductions for savings plans (cajas de ahorro) are allowed as long as workers express freely their agreement to these deductions and cannot be greater than 30% of the amount equal to the worker's wages beyond minimum wage. "		We developed a procedure to ensure that the voluntary deductions for workers due to loans required by them will not be in excess of the 30% of the difference between wages paid and legal minimum wage for the factory location.	Corrected since 12/8/05	Completed	PENDING - During the document review it was observed that voluntary deductions for workers are in excess of the legal requirements, exceeding 30% of the worker salary.	Document Review	The policy was modified to ensure the deductions do not exceed the legal requirements.	SOP Caja de Ahorro, SOP Caja de Ahorro-Revisado
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 one day off in every seven day period									
10. 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.									

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Accurate recording of OT hours worked?		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	There was an operating procedure that did not allow the mechanics to earn overtime payment. This procedure has been modified so we can record the actual time worked .	Corrected since 12/8/05	Completed	COMPLETED - The factory implemented software which monitors the time that the workers stay in the facility, including the overtime hours of the maintenance staff.	Document Review		
OT Compensation	Ley Federal del Trabajo, Article 9 and Article 67 provides for workers eligible to receive overtime and the rate of overtime payment.	The factory shall comply with applicable law for premium rates for overtime compensation	There was an operating procedure that did not allow the mechanics to earn overtime payment. This procedure has been modified so the mechanics receive payment for the overtime they are assigned to work.	Corrected since 12/8/05	Completed	COMPLETED - During the document review it was observed that the mechanics receive proper overtime payment when the employees within the area work overtime.	Document Review		
Miscellaneous									