

FLA Audit Profile	
Country	MEXICO
Factory name	400050393E
IEM	ACCORDIA GLOBAL COMPLIANCE GROUP
Date(s) in facility	20-Oct-06
PC(s)	ASICS
Number of workers	80
Production processes	SEWING, TRIMMING, FINISHING, PACKING AND SHIPPING

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				[Status]	
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Company follow up (Cite date of 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.	There is no code of conduct poster. The facility has only posted its own internal rules and regulations.					Monitors observed that the code was not posted during their walk through of the facility.		Asics will provide a code of conduct poster in Spanish.	Q2, 2007	Sep-07		Completed
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.	Management and workers are found to be unaware of the FLA/participating company code. There is no evidence of training on the part of the participating company.					Monitors came to this conclusion after interviewing management and workers.		1) Asics will provide background on the FLA to management at HQ and [factory] locations. 2) Asics will return Q1-2, 2007 for internal audit and worker education training.	1) Week of Dec. 4, 2006. 2) Q2 2008	1) Q2 2007, 2) 4/14/2008		Completed
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.	Workers have no channel for confidential reporting.					Monitors made note of this non-compliance after interviews with workers.		[Factory] has a suggestion box. Asics will work with [factory] to develop a practical method for workers to report non-compliances to the code. Per management interview, workers go directly to the general manager to discuss issues involving pay checks and supervisors. ASICS will continue to search for a local individual who can serve as a secure communication channel.	Q2, 2008.	4/14/2008		On-going
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														
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Employment contracts were signed by employees but were not signed by a factory representative.					Monitors noted this non-compliance during a review of worker personnel files.		All contracts, by law, are to be signed by both employees and factory representatives.	30-Dec-06	03/07/2007, 4/14/2008		Completed
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.														
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.														
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		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	A fire permit was obtained but was not posted in the factory.					Monitors noted that there was no fire permit during their visual inspection of the factory.		Fire permit will be posted as required.	30-Dec-06	03/07/2007 4/14/2008		Completed
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	Three of the four tested lighting fixtures were found inoperable (on the south perimeter wall near the overhead door, on the wall opposite the receptionist area and above workers' lockers, and in the canteen).					Monitors noted the lack of an emergency lighting system during their visual inspection of the factory.		Proper emergency lighting to be installed.	30-Jan-07	1/15/2007, 4/14/2008		Completed
			Inaccurate sign for evacuation - an escape sign points not to an escape but to the canteen wall.					Monitors noted the inaccurate sign for evacuation during their visual inspection of the factory.		All evacuation signage to be accurate and properly placed throughout the facility.	30-Jan-07	03/07/2007 4/14/2008		Completed
Safety Equipment		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	Fire extinguishers lack current inspection dates.					Monitors noted the lack of current inspection dates on their visual inspection of the factory.		Fire extinguishers will be inspected monthly and replaced annually external resource.	30-Jan-07	03/07/2007 4/14/2008		Completed

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				There is a risk associated with the facility's alarm system. The combination of playing music, the ambient noise level of the machinery and the fact that the facility is occupied by multiple tenants may lead to inadequate notification of workers during an emergency evacuation.				Monitors noted the lack of a fire alarm during their visual inspection of the factory.		According to local regulations, an alarm system is not required. Factory, due to financial condition, will not make additional purchases unless required by law or ASICS. Noise levels will be monitored.	Q2 2007	4/14/2008		Completed
			First aid kits were not sufficiently stocked. Monitors found only alcohol, tincture of merthiolate, hydrogen peroxide and gauze bandages in the first aid kits.					Monitors made this observation during their visual inspection of the factory.		First aid kits were adequately stocked during Asics visit December 13, 2006.	13-Dec-06	03/07/2007 4/14/2008		Completed
			Fire extinguisher signage is not in compliance with Mexican health and safety regulations. Fire extinguishers were found to be located on two structural uprights in the center of a floor and they lacked signage.					Monitors made this observation during their visual inspection of the factory.		Proper signage to be posted throughout the factory per Health and Safety regulations.	30-Jan-07	4/14/2008		Completed
PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	There was no PPE found in use at the chemical spot cleaning station.					Monitors made this observation during their visual inspection of the factory.		Chemical spot cleaning stations will be properly equipped with PPE and workers will be trained in the use.	30-Mar-07	4/14/2008		Completed
Chemical Management		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	Eye wash for chemical spot cleaning not found in the area. The closest bathroom is located approximately 100 feet away from this area.					Monitors made this observation during their visual inspection of the factory.		Eye wash will be purchased and located in spot-removal area.	30-Jan-07	4/14/2008		Completed
			Material Safety Data Sheets were not found for: 1) N6816 Desmanchador Universal (which contains methylene chloride and tetrachloroethylene); 2) CPC Electronic Cleaner; 3) Silicone; and 4) WD40.					Monitors made this observation during their visual inspection of the factory.		MSDS to be available in the local language for all chemicals. Workers to be trained in use and storage.	30-Mar-07	4/14/2008		Ongoing
			The reservoir on spray gun for spot cleaning was not labeled as to its contents.					Monitors made this observation during their visual inspection of the factory.		All containers containing chemicals to be properly identified and to include contents. Workers to be trained in the use and storage of chemicals.	30-Mar-07	4/14/2008		Completed
			There is no evidence of training regarding the use of chemicals and precautions for workers to take.					Monitors noted this non-compliance during interviews with workers as well as during the walk through of the facility.		Workers are to be trained in the handling and storage of all chemicals used at their workstations. MSDS to be available in the local language.	30-Mar-07	4/14/2008		Completed
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Electrical wires are obstructing aisles or passages.					Monitors made this observation during their visual inspection of the factory.		Aisles and passageways are to remain clear and free of any obstacles.	Immediate	03/07/2007 4/14/2008		Completed
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Factory equipment is not properly guarded to minimize the chances of accidents. Specifically, a drive pulley is missing a protective guard (Line 5, Machine #3).					Monitors noted this non-compliance during their visual inspection of the factory.		Where required, all machinery to be equipped with guards and protection.	13-Dec-07	4/14/2008		Completed
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	There was no soap in the men's bathroom.					Monitors noted this non-compliance during their visual inspection of the factory.		Bathrooms are to be supplied w/ soap, tissue and towels at all times.	13-Dec-06	4/14/2008		Completed

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Sanitation in Dining Area		All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	Three out of the four bottled water dispensers were found to be empty.				Monitors noted this non-compliance during their visual inspection of the factory.		Bottled water to be adequately stocked at all times.	13-Dec-06	4/14/2008		Completed
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees	There is no Health and Safety Committee.				Monitors noted this non-compliance after interviews with management and workers.		[Factory] management will work w/ the commission mixta to start a health and safety program.	Q2 2007	4/14/2008		Completed
Other - Housekeeping			Pallets were stored upright on end. This is an unsafe practice and represents a falling object hazard.				Monitors noted this non-compliance during their visual inspection of the factory.		Pallets are to be stored flat at all times.	Immediate	12/13/2006/14/2008		Completed
7. Freedom of Association and Collective Bargaining													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining													
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													
Legal benefits	Fración IX, apartado A, del Artículo 123 de la Constitución Política de los Estados Unidos Mexicanos y en el Artículo 120 de la Ley Federal del Trabajo.	Employers will provide all legally mandated benefits to all eligible workers	Pago de Utilidades not paid to workers.				Interview with workers, management and review of payroll records.		Asics compliance manager was shown a report that indicated payments were made. Further research will be done during internal audit in Q1-2 2007	Q2, 2007	3/7/2007		Completed
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													
Forced overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	In the factory's internal rules, overtime is forced/mandatory.				Monitors noted this non-compliance during a review of factory records and documents.		ASICS will address this situation during the internal audit planned for Q1 or Q2, 2007	Q2, 2007	4/14/2008		Completed
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.													
Miscellaneous													