FLA Audit Profile		
Country	Mexico	Company Comment: In 2005 the adidas-Group, along with other FLA Participating Companies, created
Factory name	36025017D	and delivered a remediation plan to address the noncompalinces found during this IEM. However, in early
IEM Organization	Accordia Global Compliance Group	August 2013, the adidas-Group ended its relationship with the factory due to issues with production and the
Date(s) in facility	January 5-7, 2005	management's poor response to the compliance issues. Prior to the phasing-out process, adidas-Group's
PC(s)	Reebok International, Ltd.; Puma	Social and Environmental Affairs (SEA) team conducted regular monitoring and engagement with the factory in order to address all noncompliances found in the IEM report. Based on the last action plan update in
Number of workers	478	2013, remediation of 18 issues had been completed. However 15 issues remained open. At the time of exit,
Product(s)	Male and Female T-Shirts	the adidas-Group only represented approximately 4% of the factory's capacity. As a result, no impact to the
Production processes	Cutting, Folding, Sewing, Finishing (Print), Packing	workforce or the factory's operation is expected. Factory management was notified of adidas-Group's
•		impending department 6 months in advance by adidas-Group's sourcing team. At present there are no other
		ELA ffiliated companies in this factory to take over remodiation efforts

Country Law/Legal Reference	FLA Benchmark Noncompliance Risk of Noncompliance		ptable atures  PC Internal Findings	PC Remediation Plan	Target Company Follow Up Completion Date (February and August 2006)  Documentat	tion Completed, Pending, Ongoing Company Follow Up (November 2007)	Completed, Pending, Ongoing Company Follow Up  (adidas-Group)  December 2007	Documentation Pe	mpleted, Company Follow Up (adidas-Group) (February 2009)	Documentation Completed Pending Ongoing	d, Company Follow Up (adidas-Group) Documentation (June 2010)	Completed, Company Follow Up Pending, (adidas-Group) Documentation Ongoing (February 2011)
ormation	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.	'	Complete adidas Open Letter and Workplace Standards were available in local language and posted in a place accessible for all employees.	photos Completed adidas Open Letter and Workplace Standards were available in local language and English version posted in a place accessible for all employees.	, , ,	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 the adidas Open Letter to Workers in simplified Chinese posted on the workers' information board.		The FLA COC installed in cafeteria area is blocked by several boxes and FLA COC is not visible for workers in this area.	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.
de	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		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	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 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	f the 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.	cafeteria buildings, and is blocked by	employee	oing  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.	a employee interviews, management interview	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,	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.  Per distribution of training assistance list to training on adidas-Group Workplace Standards
Official language in Mexico is Spanish.				policies, worker obligations and worker rights; (c) first training to be completed shortly thereafter. Documentation to be submitted:  or 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.				Ong	oing  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.	files, management interview, labor	particularly providing annual training on factory policies, the FLA and/or adidas Workplace Standards on an  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 document review, authorization. Management must ensure to include  worker interviews, record review of Chinese workers document review, management	Ongoing Management included copy of current authorization form from National Migration Institute for Chinese workers to work in Mexican territory.    Sopies of ID-sized immigration authorization forms, document review, corrective plan
In accordance with Mexican Labor Code Article No. 24)		document review	files review found that some labor contracts were resigned by management, some include only the	nel 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 Ong	oing  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	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 included in workers' files.  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.	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
try of manufacture where such age is higher than 15.	law of the country of manufacture allows) or younger than the age for completing compulsory  5.  rill be subject to any physical, sexual, psychological or verbal harassment of abuse.											
	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	old policy which is no longer valid. Workers can us	an 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. <i>Documentation to be submitted</i> : Copy of the factory's freedom of movement policy. 3) Factory to include in its training program education on its freedom of movement policy. <i>Documentation to be submitted</i> : Copy of the planned training schedule.			Ongoing  Confirmed that bathroom visit policy is no longer practiced. There are no signs poster 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.	ed employee interviews	ding  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.	employee	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.	Completed
ect to any discrimination in employment, including hability, sexual orientation, nationality, political opinion	hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, nion, or social or ethnic origin.	document review, management interview	file review found that the application form currently	nel 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			Factory will change the application form to eliminate any questions that are not relate to skill and job position.		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		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	accurate corrections regarding gender and age provided. Copy of non-discrimination policy also provided for review. Supplier indicated that training was provided to
				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.					trained supervisors and workers about non-discrimination issues. Also, recommended discrimination policy has not been created.		be discriminated based on aspects such as race, age, nationality, gender. However, employment application is not a violation to own non-discrimination policy.	person responsible for hiring on non-discrimination policy. Photos of training received. To be physically verified during next visit.
of employer facilities.  Safety In accordance with Mexican Health and Safety Norm 001, Clause 7.2, aisles, passages, ramps and stairways must be	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  Aisle width for aisle next to team No. 1 not adequate. The aisle width between sewing team and wall is narrow and does	factory tour	Now it is 105cm in width. The factory has since m	dy. 1) Factory to immediately make this (and any other) emergency exit routes the appropriate width and free of obstructions.  y Documentation to be submitted: Photos of emergency evacuation	' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '	Pending Confirmed that the exit route is appropriate factory tour and free from obstructions.	Completed				Confirmed that exit route is appropriate and free from obstructions.	Completed
delimit for sure and sufficient spaces to employee transit.	apply. The factory will possess all legally required permits.  not provide enough space for safe evacuation.		Monitor (within 30 days) to measure and assess a evacuation routes.	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.								
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.	Completed and ongoing  This emergency exit is still partially blocked factory tour, by sewing machines and an air-compressed hoist.	photos Ongoing This emergency exit was not blocked.	factory tour, photos Com taken	npleted		Emergency exit near sewing area was free from obstruction.	Completed
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.	Completed and ongoing Confirmed that plastic curtain is now exit door and is unlocked during working hours.  factory tour, managemer interview	, , , , , , , , , , , , , , , , , , , ,	ts factory tour Com	npleted		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.	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.
	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 safe 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. <i>Documentation to be provided:</i> 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 labeling 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. <i>Documentation to be provided:</i> Copies of factory's chemical management policies and procedures.	management system. Further verification will be d1 on the particulars of the chemical management system, including on the chemical handling training program for workers.	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.			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.	interviews, management interview, document review	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.	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.  Pending  photos (MSDS posted, worker training on chemical handling, chemical containers properly labeled), documentation (copies of Chemical Policy, Chemical 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	it is taking all appropriate actions to remedy this situation (by applying to the government for install	g, 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. <i>Documentation to be submitted</i> : 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 factory tour printing area.	Completed					
Law, Article 132, paragraph XVII, the	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.	e 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  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.	Pending  All first aid kits located on production floor were properly stocked, but expired medicines were found in 1 first aid kit.	r factory tour Pen	ding  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
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	electrical panels located at working area are not	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.	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.  O internal HSE electrical conditions inspections, photos
Norm NOM-005-STPS-1998, Articles 5.2 and 5.4, in workplaces where toxic substances are used there should be a	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. <i>Documentation to be provided:</i> 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. <i>Documentation to be provided:</i> Copies of factory's chemical management policies and procedures.	2) May 15, 2006 in prominent areas where chemicals are in use.	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.			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.	management	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.	Pending Per factory update, eyewash has been provided in chemical storage area and screen printing.
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					workers on onemical nationing.	опаште шак шеу аге property working.						

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance (Uncorroborated	If Not Corroborated, Explain Why  Sources, Documentation Used For Corroborating	Notable Features	PC Internal Findings	PC Remediation Plan	Target Company Follow Up Completion Date (February and August 2006)	[Status] Updates  Completed, Pending, Ongoing (November 2007)	[Status]  Completed, Pending, Ongoing	Company Follow Up (adidas-Group) December 2007	[Status] Updates  Completed, Company Follow Up (adidas-Group) (number of the company Follow Up (adidas-Group) (by Company Follow Up	Documentation [Status]  Completed, Pending, Ongoing	Updates  Company Follow Up (adidas-Group) (June 2010)  Documentati	Completed, Company Follow Up Pending, (adidas-Group) Ongoing (February 2011)	Documentation	[Status]  Completed, 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 (inhalatior or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.																
Chemical Management	Safety Regulation, Article 62, the employer is responsible for labeling all materials and chemical substances,	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.	indicate that workers consume drinks in the presence of chemicals.		factory tour	Fa	ctory advised to display safety signs in all areas	s. See MSDS and chemical management system requirement above. As part of the implementation of these requirements factory to: 1) train workers on the risks associated with food drink near chemical use and storage, 2) include policies that food or drink can be consumed in the immediate vicinity. <u>Documentation to be submitted:</u> Copies of factory's chemic management policies and procedures and training materials	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.	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.	, ,	of food or drink were found in the storage area.	Ongoing No signs of food or drink were found in the chem storage area.	ical 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	handling, transport and storage in accordance with the norms.	All facilities including factory buildings, toilets,	No toilet paper found in bathroom for		worker intentions	To	ilet paper is available for all workers.		e a As soon as possible Bathrooms are being cleaned on a regular photos, factory tou	Completed and Pathrooms are not stocked with tailet paper, factor	Pothroom	a are not atacked with tailet factory tour	Pending Bathrooms are not stocked with toilet paper; each	h footon tour worker Donding	Men's bathrooms are not stocked with toilet paper; factory	Ongoing Mon's bathrooms are stocked with liqui	d photos, Corrective Action Plan,	Donding July 19 and 10
Sanitation in Facilities	and Safety Regulation, Article 108, toilets	canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	• •		worker interviews, factory tour		ilet paper is avaliable for all workers.	week. Documentation to be submitted: Name of person appointed, schedule for cleaning and restocking.	basis, as well as frequently stocked with toilet paper.	ongoing  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.	oyee paper; each toilet paper	s are not stocked with toilet ch employee is provided with er from the materials storage h time they go to the bathroom.	Pending  Bathrooms are not stocked with toilet paper; each employee is provided with toilet paper in the mat storage room each time they go to the bathroom men's bathrooms facilities were dirty and without maintenance.	erials interviews . 2	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.	soap and toilet paper. No update if bathrooms are properly kept: shower in men's bathroom facilities cleaned. Supsent copies of internal H&S inspections bathrooms.	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 an 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				factory tour	bu		ia A 1) Factory management must install battery-powered emerging illumination and exit signs over all exit doors to be used in of emergency. 2) Factory management must designate a personal exit of emergency.	ase				Pending Cafeteria area is provided with emergency batter operated lights in emergency exits.		Factory has been hiring more workers, about 135 since factory March 2010. As a result, space available in cafeteria walkthrough, been reduced to the extreme that workers have to run photos taken,	Ongoing Boxes inside cafeteria removed and factorized additional tables and chairs for workers. Management posted informati		Ongoing July 18 and 19
	and maintain in appropriate working conditions all the permanent devices for emergency cases.							to conduct monthly inspections of all emergency lights to enthey work properly.							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			
Sanitation in Dormitories		All dormitories shall be kept secure, clean and have safety provisions (such as fire extinguishers, first aid	emergency evacuation. Dormitories are		factory tour	the	e end of February, Chinese male workers will all	y The factory will remove this dormitory facility. The workers we relocated to proper housing.	informed PC about this. Factory installed an	Pending The factory installed an additional emergency exit in the male dormitory;	outside the	e factory building and production	Pending  New dormitory has emergency lights, windows a conditioner system to ventilate the area.	nd air factory tour, photos Completed	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.  Management made additional dormitories available for workers inside production area (sewing); however, this	relocated outside production area.	Corrective Action plan, photos, local government document	Pending July 18 and 19
		kits, unobstructed emergency exits, emergency lighting, etc.). Emergency evacuation drills should als be conducted at least annually.	integrated within factory building. Men's of 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.			ha	ve moved to the dormitory in [City name].		additional emergency exit to ensure male workers have 2 emergency exits to use in case of an emergency.	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.	male dorm	wever, it was noted that the new nitory does not have emergency vindows to ventilate the area.			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	Emergency lighting was installed inside men's dormitory and per factory photos are well maintained and clean. Supplied has not shared proof of fire alarm instal in male's dormitory. Per government let shared by factory, they are working on project to relocate women's dormitory. document does not mention completion date of this project.	ed er a The	
7. Freedom of Association	and Collective Bargaining														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.			
Employers will recognize and Collective Bargaining Agreement (CBA)	d respect the right of employees to freedom	of association and collective bargaining.			document review, employee interviews	fac no ac	ted there is no evidence that employees take	concerning Collective Benefits negotiations and in trainings workforce. 2) Factory management must ensure that all employees are aware of the obligations and benefits include the CBA and provide information to workers about their unio representative. <i>Documentation to be submitted:</i> Copy of documents where workers are informed about their rights ar	d on n		Factory ha	as not taken action about this employee and management interviews	Pending  Factory has not taken action about this issue. Ir is not clear if the factory is unionized, since CBA not available for revision during the visit. Workers not sure if there is a trade union at the factory the represents them.	A was document review, management at interview	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	1 '	ll signed that they received copy of Trade union document	Pending July 18 and 19
								obligations included on the CBA, training materials used.							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.			
Collective Bargaining Agreement (CBA)																		July 18 and 19
law or the prevailing industry	ages are essential to meeting employees' bawage, whichever is higher, and will provide I In accordance with the Mexican Labor Code Articles 67, 68 and 71.		least the minimum wage required by local			rev	iew for November 2007, it was noted that the	rroll 1) Factory must pay following OT rates: double time for first hours a week, triple time premium for additional OT worked same week, 25% of their salary premium when employees week.	in						Chinese workers do not stay to work overtime according to payroll and time cards from these workers. This was verified during interviews with 2	_		July 18 and 19
Wage Benefits Awareness	In accordance with the Mexican Labor Code Article 25.					CO	mpensated at legal rate for overtime hours works ecember 2007 adidas-Group Visit: There are	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 ir simplified Chinese in accessible areas for workers for review  1) Wage/Salary compensation needs to be consistent in prayion with what is established on labor contracts (Chinese worker)	n				Pending Chinese workers are being compensated in Mex pesos; every week workers sign pay slips that we	ican payroll review, Ongoing	Chinese workers are being compensated in Mexican pesos and every week. Workers sign pay slips that			July 18 and 19
						for rev co Ch cu em pa sig	Chinese workers. Chinese employees' docume iew found their labor contract specifies they will	receive compensation every month) and payroll records sho reflect this. 2) Factory has to eliminate practice of having we but payroll records for Chinese workers, when in practice they a compensated every month. Otherwise, factory management must change labor contracts indicating that workers will be weekly.	uld eekly ire t				this practice. All wages received are included in Social Security Scheme.	the interview	verify this practice. All wages received are included in the Social Security Scheme.			
Wage Benefits Awareness		Employers will communicate orally and in writing to al employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all	minimum wage.		factory tour, documer review	Ch Ho ew on	ninese workers receive and sign every month. owever, payroll registers indicate they are paid ery week, but according to management this is ly done for Social Security process.		pay minimum wage and how wages are	Pending  No wage calculation information signs factory posted at factory. Factory should ensure workers are aware how wages are interview.	agement their wage	nent trained employees about how factory tour, es are calculated. There is management interview.	Completed					July 18 and 19
9. Hours of Work		workers are entitled in that company and under the applicable law.						<ul> <li>c) all legal and agreed upon deductions; d) how all hourly, p rate work, bonuses and other incentives are calculated; e) timekeeping requirements; f) pay days.</li> <li>2) Factory to include in its training program ongoing educati its wage policy. <i>Documentation to be submitted:</i> Copy of w policy.</li> </ul>	policy to educate all new employees on wage calculation. PC to continue to monitor this issue, and check additional documentation to ensure workers are	calculated and what the local minimum wage is. Factory should provide training to employees on wage calculation every year.	this availa	able for all employees.						
Except in extraordinary bus limits on regular and overtim		pe required to work more than the lesser of (a) 48 hours promanufacture or, where the laws of such country will not leavy off in every seven day period.				rev on sta	iew found that Chinese employees only punch i the time recording system when their work shift arts and when they come back to work after thei	ard 1) All workers must record their own working hours. Worker must be informed about this requirement and be trained to register their working hours. 2) Management to work with Cl workers' supervisors in the development of proper procedure	ninese s to				December 2008. However, in January 2009 they started to punch out again. No evidence that management worked with Chinese workers in creations.	interview	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 forms at the beginning and end of their workday, including	workers. Workers trained by managem to register all working hours including C Also, supervisors and personnel from H	ent about working hours registration, T. factory action plan	Ongoing July 18 and 19
Working Hours	In accordance with the Mexican Labor Code, Article 61.				time cards, documen review, management	t ad	d payroll review found that factory management	ensure all working hours, including overtime, are registered.  Procedures must be endorsed by management and published and 1) Factory must ensure all working hours shifts are schedula way that respects work hours limits established by Mexic	ed.  ed in an				Pending  There has been no need to work OT in the past smonths, including for Chinese workers. However,	document review, Pending management	during OT. Management should verbally communicate to all managers, supervisors and workers time recording system requirements.  Workers from screen printing area worked more than 60 hours per week including OT during April 4 -10 pay	and all compensations are made on time	meeting photo, OT procedure, OT e. policy, factory action plan	Ongoing July 18 and 19
					interview	ha lim		al Labor Code. 2) Factory must evaluate capacity and product	ing all				factory has not drafted an OT policy indicating the is voluntary.	at OT interview	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.	Copy of trainings for workers and supervisors on OT policy was sent to S for verification.		
	or regular hours of work, employees will be o	compensated for overtime hours at such premium rate as ate at least equal to their regular hourly compensation rate				ho		to employees is included on payroll records. 2) Practice of making direct cash payments to Chinese employees should	I be				1) Management commented that all compensations made to employees is included on payroll record. This was also verified in payroll records from last.	s. payroll records, pay slips, manager				July 18 and 19
						Sa		eliminated. 3) Factory management must create policies the ensure that all compensation made to employees is include official payroll documentation. Also, management must app person to verify the implementation of these policies.	at don				months. Has been no OT work at factory in recemonths. 2) Practice of making direct cash paym to Chinese employees has been eliminated. 3) Management created OT Compensation Policy a posted it on factory production floor. Policy inclucement from management to eliminate directly cash payments. Also, it explains how OT hours be compensated every week for workers who wo Sundays or holidays, according to Mexican Laboratory.	interview, photos of posted policy and des ct should rk on				
Miscellaneous  Documentation Verification					document review, management interview	w ap fac ins	proximately 54 Chinese employees working in ctory, some working as supervisors and structors, some as sewing or cutting operators.	re 1) Factory must create and comply with policies and proced to maintain a complete personnel file for each Chinese work this factory. File should include official ID, labor contract, we visa, trainings attended by employees, job description, all	er at ork	Pending	for review; not kept ir procedure:	however, their documents are n 1 single file. Policies and es have not been created	Pending  The Chinese workers' files were available for review however, there are some documents still missing their files, such as the current authorization from Immigration institute to work in Mexico. Policies	ew; document review Ongoing the and	Copy of current immigration authorization from Mexican Government not included in workers' files in at least 7 cases. Per management comment, all Chinese worker workers have current immigration authorization.	, , , , , , , , , , , , , , , , , , , ,	n authorization forms, documentation	Ongoing July 18 and 19
						Du red wo do wh	uring audit, workers' files for Chinese workers quested, e.g., labor contract, residency permits, ork visas -fm3 forms, ID cards. However, these cuments were not available for review since pers		e n Copy			this issue.	procedures have not been created regarding this	issue.	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.			