

*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 Audit Profile	
Country	Mexico
Factory Code	01005001A
ILEM	Verite
Date of audit	28-Jun-02
# of workers	182
PC(s)	adidas

FLA Code/ Compliance Issue	FLA Benchmark and/or Legal Reference	Findings			Remediation		Remediation Updates		Remediation Updates	
		Verite Findings	Best Practice - Verite Findings	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	PC Updates/Follow-up Comments for October 2002	PC Updates/Follow-up Comments for January 2003	PC Updates/Follow-up Comments for March 2003	
<b>1. Code Awareness/ Informed Workplace</b>										
<b>Employment and Personnel Policies</b>	Per FLA Principles of Monitoring, Obligations of Companies: B. Create an Informed Workplace 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.	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.	30-Dec-02				
<b>Local Laws</b>		The auditors reported that no local or national labor laws were posted in the factory.			Post national and local labor laws in Spanish in a public place on the factory floor.	30-Dec-02	Management stated that they had local labor law book on site for reference but had not posted information.	Copies of the National labor code provided in 2 public areas of the factory.		
<b>Policies</b>		Management reported that the factory's personnel policies do not cover wages, benefits and deductions, vacations/leaves, overtime rates, grievance procedures, or harassment and abuse issues. The auditors also reported that the factory's policies have not been distributed to workers, and they were not posted in the factory.		also noted in PC's audit reports	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.	30-Dec-02	Plant management is undergoing changes and plant manager is being replaced. The interim manager focused on one standard (Wages) for remediation. adidas Standards of Engagement requests that the interim manager remediate all items in the corrective action plan and will work with new plant manager for training on standards and implementation of the remediation plan. Human resources department had drafted written policies and were awaiting approval by upper management.	Copies of written policies (in the form of an Employee Manual) posted in public area of the factory and distributed to all workers. All workers and supervisors were informed of the comprehensive policies and procedures. PC compliance staff verified in employee interviews that employees received and understood the policies.		
<b>2. Forced Labor</b>										
<b>Contracts</b>	Per FLA Benchmarks IB, Forced Labor: 1. Employers will maintain sufficient hiring and employment records demonstrate and verify compliance with this Code provision.	[It was reported in worker interviews that some workers did not have] a written employment agreement with the factory or a signed copy of their employment agreement. According to the auditors, workers' personnel files contained signed copies of the factory's internal rules, which management reported to be workers' employment agreements, but which the auditors found to be inadequate for the purpose.			Post the CBA (Collective Bargaining Agreement) in a public place, inform all workers of the CBA contract terms, and inform all workers that they may have a copy of the CBA upon request from Human Resources department.	30-Dec-02	Workers do not sign individual contracts. The employment agreement is covered by the CBA. Management agreed to post the CBA in a public place and provide a copy of the CBA to any worker that requests a copy.	Workers sign individual contracts (one for 30 days and a second for indefinite time period as per law) and are provided a copy of the signed contract. Workers receive benefits from the date of hire. CBA is posted in a public place. PC compliance staff confirmed in interviews that employees received a copy of their employment contract.		
<b>3. Child Labor</b>										
<b>4. Harassment or Abuse</b>										
<b>Discipline and Termination</b>	Per FLA Benchmarks IIB, Harassment and Abuse: 1. Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers. 4. Employers will utilize consistent written disciplinary practices that are applied fairly among all workers. 12. Employers will not use monetary fines and penalties for poor performance.	[It was reported in worker interviews that] the factory's discipline and termination procedures [were considered] to be unreasonable, and that not all of the factory's supervisors use the same disciplinary measures. In addition, workers interviewed reported that workers are suspended without pay for making production errors or for arriving late to work. [It was also reported in worker interviews that the factory management has been unreasonable in its employee leave practices.]			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.	30-Dec-02	A copy of factory rules are posted in the Human Resources office. No progress had been made on publishing written rules, posting information or providing training to workers.	Employee handbook created, distributed, and all workers informed of the policies and procedures contained in the handbook. Workers and supervisors have been trained on the factory's disciplinary policies and procedures and on grievance policies and procedures. PC compliance staff confirmed that employees received training and understood policies and procedures. Factory management to include an explanation of policies to new employees at new hire orientation.		
<b>Grievance Procedures</b>		[Workers interviewed] reported judging the grievance procedures to be ineffective. [Workers interviewed also] reported that the procedures "give too much power the supervisors." [Workers interviewed] reported that the factory's procedures do not contain provisions for management follow-up, and that the procedures do not protect a worker's privacy or protect a worker from retribution.			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. Grievance system should include management follow up. 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.	30-Dec-02	No grievance system had been created or written. Management requested more time to develop policies.		Grievance policy published in employee manual, posted in a public place, and workers and supervisors informed of the policy. PC compliance staff verified that employees were informed of the grievance policies.	
<b>No Harassment or abuse</b>	Per FLA Benchmarks IIB, Harassment and Abuse: 8. Employers will prohibit screaming, threatening, or demeaning verbal language.	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.	30-Dec-02	No Harassment and Abuse policy had been created or written. Management requested more time to develop policies.	Harassment and Abuse policy created.	Harassment and Abuse policy published in employee manual and all workers and supervisors informed of policy. PC compliance staff verified through worker interviews that all employees were informed of policy.	

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<b>Freedom of Movement</b>	Per FLA Benchmark IIB, Harassment and Abuse: 10. Access to food, water, toilets, medical care or health clinics or other basic necessities will not be used as either reward or punishment. 11. 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.	[It was reported in worker interviews that workers] are not always able to leave the factory under reasonable conditions. [It was reported in worker interviews that workers who complained of illness were at times not allowed to leave the factory] [Workers interviewed] reported being unable to leave the factory during their lunch break. The auditors reported that clause 11 of the workers' collective bargaining agreements states that workers are entitled to unpaid, 30 minute lunch break (not to be considered as working time) (Attachment B: Collective Bargaining Agreement)			Workers should be allowed to freely exit the factory at any time. Workers should be allowed to leave the factory at will during the 30 minute unpaid lunch break. Workers should have unrestricted access to all facilities (water, toilet). 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 or restricting workers use of facilities (water, toilets). 2) Inform supervisors of the policy and train supervisors in the implementation of the policy. 3) Post the 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.	30-Dec-02	No policy written on freedom of movement. Management stated that they had focus on Wages issue and had not yet created policy.		Freedom of movement policy created and included in worker manual, posted in a public place and all supervisors informed of policy.	
<b>5. Nondiscrimination</b>										
<b>Pregnant Women</b>	Per FLA Benchmarks IVB, Nondiscrimination: 1. 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. 2. Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.	Management reported that the factory does not hire pregnant women. Management reported that female applicants are asked about their pregnancy status.			1) Create 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, should not 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.	30-Dec-02	No policy on Discrimination had been created or written. Management requested more time to develop policies.	Policy of discrimination created, posted, and all workers and Human Resources staff informed of the policies.		
<b>6. Health &amp; Safety</b>										
<b>Fire Safety</b>										
<b>Exit doors</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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.	It was reported in worker interviews that the factory's fire exits are locked 15 minutes prior quitting time.			All exit doors should be unlocked and unblocked while workers are in the factory. This is a zero tolerance item and requires immediate remediation. H&S Committee should regularly check exits to ensure they are not locked or blocked.	30-Dec-02	All exit doors unlocked and unblocked. H&S committee should regularly check exits to ensure they are unlocked, unblocked.	All exit doors unlocked and unblocked. H&S committee regularly checks.	All exit doors unlocked and unblocked.	
<b>Fire Drills</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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.	Management reported that they conduct fire drills once every two years.		also noted in PC's audit reports	Conduct fire drills at least 2 times a year. Record date, time, and time elapsed to evacuate. Maintain record of fire drills on file. Please conduct a fire drill within the next 90 days and advise of the results.	30-Dec-02	Management and workers stated that fire drill had been conducted but no records or documentation maintained.	Fire drill conducted and records maintained on file (time elapsed 1 min 30 seconds).		
<b>Worker Training on Fire Extinguishers</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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.	Management reported that only five workers (or less than 3 percent of the workforce) have been given hands-on training in fire extinguisher use. According to management, no additional workers have been oriented in how to operate a fire extinguisher.		also noted in PC's audit reports	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.	30-Dec-02	No training date had been set at time of visit. Management agreed to provide training.	PC compliance staff verified that fire extinguisher training had been provided and certificates retained on file.		
<b>Fire Extinguishers</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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. 3. 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.	The auditors reported that the maintenance records for the fire extinguishers in the production and storage areas were not up-to-date. According to the auditors, the factory's records indicate that the last inspection occurred in August 2001.		also noted in PC's audit reports	Check fire extinguishers monthly and mark on control tag. Have fire extinguishers checked annually (at a minimum) by an outside agency. Maintain inspection records on file.	30-Dec-02	Fire extinguishers were checked by outside agency (Sept 02) and are checked monthly and marked on control tag.	Fire extinguishers checked monthly.	PC compliance staff verified that extinguishers are checked monthly and marked on control tag.	
<b>Emergency Lights</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 3. 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. 11. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that only two of the factory's four emergency exits were marked with a sign visible from 100 feet away.			Install illuminated signs at each emergency exit and at exits in cafeteria.	30-Dec-02	Signs had not been installed. Management stated that they had to order the signs and requested time for delivery and installation.	PC compliance staff verified that signs were installed.		

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<b>Emergency Lights</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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. 3. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that battery-operated emergency lighting was not installed in the production or storage areas.			Install emergency lighting in every work area of the factory (including production and storage areas). Test emergency lighting monthly and maintain a record of the tests on file.	30-Dec-02	No progress made at time of visit. Management stated that they had to order emergency lights and requested time for delivery and installation.	PC compliance staff confirmed that emergency lights installed in all areas of the factory.		
<b>Safety Signage</b>	Per FLA Benchmark VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that there were no no-smoking signs, no instructional diagrams for fire extinguisher use, and no detailed fire emergency instructions posted in the factory.			Post instructional diagrams for fire extinguisher use, post detailed fire emergency instructions (in Spanish), and post No Smoking signs in factory.	30-Dec-02	No progress made at time of visit.	PC compliance staff verified that fire extinguisher and no smoking signs have been posted.		
<b>Exit doors</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that the cafeteria exit doors swing inwardly.			Cafeteria door cannot open out as it will obstruct aisle in production area. Post exit signs and emergency evacuation route maps in cafeteria. Train all workers in emergency evacuation procedures.	30-Dec-02	Cafeteria door cannot open out as it will obstruct aisle in production area. Management has posted exit signs in cafeteria and emergency evacuation route maps. All workers have been trained in emergency evacuation procedures; all workers evacuated in 1 minute 30 seconds in the last fire drill. An additional exit door is available in the cafeteria.			
<b>Evacuation Routes</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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. 3. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that the aisles in the production area and the cafeteria were not clear on the day of the audit.			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.	30-Dec-02	Aisles were unobstructed and items stored at time of visit.	Aisles unblocked and unobstructed.	PC compliance staff confirmed that aisles were not blocked or obstructed.	
<b>Evacuation Routes</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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. 3. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that emergency exit routes were not painted or marked on the production or storage area floors or in the cafeteria.			Emergency exit routes should be clearly indicated with markings on floor. Paint arrows indicating emergency evacuation route on aisle floor.	30-Dec-02	No progress made at time of visit. Management requested additional time to paint arrows indicating evacuation route.	PC compliance staff verified that arrows have been painted indicating evacuation route.		
<b>Evacuation Maps</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws. 3. 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.	The auditors reported that emergency evacuation maps were not posted in the storage area or in the cafeteria.			Emergency evacuation maps should be posted in all work areas. Please post maps in storage room and cafeteria.	30-Dec-02	No progress made at time of visit.	PC compliance staff confirmed that evacuation maps installed in several areas of the factory.		
<b>Medical Care / Accidents and Injuries</b>										
<b>Medical Personnel</b>	Mexican labor law requires factories with more than 100 employees to establish an infirmary supplied with the medicines and supplies necessary for emergency medical and surgical attentions, and staffed with competent personnel under the supervision of a surgical doctor (Addendum I: Mexican Federal Labor Law, art. 504) Per FLA Benchmarks VB, Health and Safety: 1. 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.	Management reported that there is no medical facility or trained medical personnel on site in the factory to respond to workplace injuries.		also noted in PC's audit reports	One individual per 100 employees should be trained in First Aid. First Aid certificates should be on file at the factory. Factory should have required medicines and supplies necessary for emergency medical attention.	30-Dec-02	No progress made at time of visit.		7 people trained in First Aid and PC compliance staff confirmed that certificate is on file.	
<b>First Aid kit</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that the factory had only one first aid kit for the factory's 182 workers. In addition, the kit did not contain antibacterial ointment, sterile gloves, or a tourniquet.			Supply an additional First Aid kit; there should be one kit per 100 workers. First Aid kit should be adequately stocked to include bandages, sterile gauze, adhesive tape, disinfectant/antiseptic cleanser, antibiotic/antibacterial ointment, sterile gloves, a tourniquet, and analgesic pills.	30-Dec-02	No progress made at time of visit.	PC compliance staff verified that additional first aid kit installed on production floor and it is checked monthly.		

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<b>Sanitation Kitchen / Canteen / Toilets</b>									
<b>Toilets</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Although the auditors reported that most of the toilet facilities were clean on the day of the audit. [It was reported in worker interviews] that the toilet facilities are not normally clean.		also noted in PC's audit reports	All toilet facilities should be cleaned and serviced regularly. There should be a management system in place to ensure that toilets are cleaned regularly. Health and Safety committee should verify that toilet facilities are cleaned regularly.	10/15/02	Oct 02: No progress made at time of visit. Management agreed to develop system to ensure that toilets are stocked adequately.	Jan 03: toilets are stocked regularly; cleaning department checks and restocks toilets several times a day.	
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that none of the toilet facilities were stocked with toilet paper and few were stocked with hand soap on the day of the audit. [It was reported in worker interviews] that the toilet facilities are not supplied with toilet paper, and [that] the factory provides only one role of toilet paper per week, per section. [It was also reported in worker interviews] that the facilities are supplied with hand soap only when outside visitors come to the factory.		also noted in PC's audit reports	All toilet facilities should be cleaned and serviced regularly. All toilets should be stocked with toilet paper and all sinks should be stocked with soap. Have maintenance and H&S Committee verify that toilets are checked and serviced regularly. There should be a management system in place to identify when supplies are low and restocking is needed.	30-Dec-02	No progress made at time of visit. Management agreed to develop system to ensure that toilets are stocked adequately.	Toilets are stocked regularly; cleaning department checks and restocks toilets several times a day.	
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	Although the auditors reported that most of the toilet facilities were free of offensive odors on the day of the audit. [It was reported in worker interviews] that the facilities are not normally kept reasonably free of offensive odors.		also noted in PC's audit reports	All toilet facilities should be regularly cleaned to ensure that they are free of odors. Increase the number of times per day that the toilet facilities are cleaned to reduce offensive odors. H&S Committee should check that toilet facilities are regularly cleaned.	30-Dec-02	No progress made at time of visit. Management agreed to increase number of times per day toilets are cleaned.	Toilets cleaned at least 3 times a day, they are cleaned after every break and an additional time midday.	
<b>Cafeteria</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors reported that there was not enough seating in the cafeteria to accommodate all workers during their lunch break. The auditors reported that workers have lunch in two shifts of about 100 workers each, and that they counted only 58 chairs and one bench in the cafeteria area.			There should be adequate seating available for workers during the lunch shift. Either enlarge the cafeteria space or stagger the lunch hour so that there is sufficient seating and space for all workers.	30-Dec-02	Lunch hour is staggered so that not all employees are in the cafeteria at the same time.		
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The auditors judged the cafeteria to be unclean on the day of the audit. The auditors reported that the cafeteria's floor was dirty and littered with bottle caps, pieces of fabrics, and paper scraps.			All cafeteria facilities should be clean. Clean the cafeteria more frequently so as to maintain sanitary condition of the floor, chairs and tables. H&S should include the cafeteria as part of their weekly review.	30-Dec-02	Cafeteria is cleaned 2 times a day. H&S check includes cafeteria.		
<b>Machinery/Equipment</b>									
<b>Machine Guards</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	The auditors reported that not all of the overlook and lock-stitch buttoning machines had eyesguards. [It was reported in worker interviews] that the sewing machines do not always have the proper needle guards.		also noted in PC's audit reports	All machines should have proper guarding. Develop a management system for maintenance to check machines and service weekly. Replace missing eye guards or needle guards regularly.	30-Dec-02	No progress made at time of visit. Management stated that maintenance checks and services machines weekly.	Maintenance cards have been placed on each machine; maintenance regularly services, provides preventative maintenance, and records maintenance performed on cards. All machines are checked for guarding and guards replaced as needed.	
<b>Machine Records</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Management reported that the factory does not keep maintenance records for the factory's equipment.			Maintain records of equipment maintenance on file. Record when equipment is serviced, the date of servicing, and the maintenance performed.	30-Dec-02	No progress made at time of visit. Maintenance agreed to record repairs and equipment servicing and maintain on file.	Maintenance cards have been placed on each machine; maintenance regularly services, provides preventative maintenance, and records maintenance performed on cards.	
<b>Chemical Safety</b>									
<b>Air Quality</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that air-quality monitoring is not conducted in the area of the factory where spot remover is used.			Appropriate measures are taken to minimize TLVs from spot cleaning area. As a recommendation for best practice conduct air quality testing to determine if Threshold Limit Values (TLV) of chemicals from spot cleaning station comply with safety standards. Please advise of date that air quality testing will be performed.	30-Dec-02	No progress made at time of visit.		Air quality testing performed; results of air quality (for total particulates in air) were below the norms Standard is 10 mg/m3 and no area tested exceeded 7 mg/m3.
<b>Chemical Safety</b>	Per FLA Benchmarks VB, Health and Safety: Per FLA Benchmarks VB, Health and Safety: 1. 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. 6. 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.	The auditors reported that no posters indicating chemical composition, potential health hazards of exposure, instructions on safe use/handling, or instructions for what to do if exposure exceeds safety levels, were posted in the area where spot-remover is in use.		also noted in PC's audit reports	Post signs at spot cleaning station indicating health hazards of chemicals, instructions for safe handling or use of chemicals, and instructions for what to do if exposure exceeds safety levels.	30-Dec-02	No progress made at time of visit.	PC compliance staff verified that signs are posted at spot cleaning station.	
<b>MSDS</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that there were not MSDS posted in the area where spot-removal chemicals are in use.		also noted in PC's audit reports	Post MSDS for all chemicals in use or in storage. Post MSDS for spot cleaner in the area where chemicals are used.	30-Dec-02	No progress made at time of visit.	MSDS posted at spot cleaning station (in Spanish) and a copy kept on file.	

FLA Code/ Compliance Issue	FLA Benchmark and/or Legal Reference	Findings			Remediation		Remediation Updates		
		Verite Findings	Best Practice - Verite Findings	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	PC Updates/Follow-up Comments for October 2002	PC Updates/Follow-up Comments for January 2003	PC Updates/Follow-up Comments for March 2003
<b>Chemical Storage</b>	Per FLA Benchmarks VB, Health and Safety; Per FLA Benchmarks VB, Health and Safety: 1. 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. 6. 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.	The auditors reported that the factory's spot-removal chemicals are stored in unlabeled containers.		also noted in PC's audit reports	Label all chemicals (in Spanish). All chemical containers should be clearly labeled and identifiable to the workers.	30-Dec-02	No progress made at time of visit. Management agreed to label chemical containers.	Chemical containers labeled.	
<b>Eye Wash</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that the factory's spot-removal workers do not have access to eye-wash facilities.			Provide workers with eyewash facility within 30 meters of where chemicals are used and/or stored.	30-Dec-02	No progress made at time of visit.	PC compliance staff verified that eyewash bottle is available in first aid kit.	
<b>Working Conditions</b>									
<b>Dust Mask</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that airborne dust/fiber particles in the production and storage areas was dense. Although the production area is air-conditioned, the auditors judged the ventilation of fresh air into the area to be minimal and described the temperatures from medium to hot in the production area. The auditors judged the ventilation of fresh air in the storage area as also minimal. [It was reported in worker interviews that workers] are provided with dust masks but do not wear them because they feel like they are suffocating when doing so. The auditors believe this reaction is due to the lack of adequate ventilation and high temperatures in the factory.			1) Please advise of the existing ventilation in the 2) Please advise of the methods planned to 3) Conduct air quality testing of these areas to determine whether exposure exceeds safety levels. 4) Provide all workers with PPE/masks for protection against dust and fumes. Inform all workers of the health hazards of not wearing PPE and post signs requiring the use of PPE.	30-Dec-02	Workers are provided PPE. Management agreed to reinforce to workers and supervisors the use of PPE.	Two extraction fans available in production area to improve ventilation. Plant undergoes regular cleaning to reduce dust and fibers in general work areas.	Air quality tests results showed total particulates in air are within the norms. Documentation of air quality testing on file.
	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors judged the factory to be reasonably clean, but did note a high density of airborne dust/bier particles and clothe scraps on the production floor. [Worker interviews] reported that the factory is not kept clean.			Improve general cleanliness of factory to control dust/fiber particles. Clean factory (top to bottom) with more frequency. H&S committee should include general cleanliness in weekly review. Instruct each worker in cleaning their work station daily.	30-Dec-02	No progress made at time of visit. Management agreed to implement regular and thorough cleaning system and instruct workers in cleaning their work station daily.	Factory cleaned regularly (last cleaning top to bottom performed Dec 02). Workers clean their workstation daily. H&S committee checks cleanliness of factory regularly.	
<b>Worker Safety</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	It was reported in worker interviews that the fluorescent light bulbs in the factory fall down easily and have fallen on top of the heads of some workers.			Ensure that light fixtures and light bulbs are secured. Maintenance should regularly check and service light fixtures. H&S committee should include light fixtures as part of their weekly review.	30-Dec-02	No progress made at time of visit.	Light fixtures have been secured. Maintenance regularly checks lights to ensure they are securely attached.	
<b>Chairs</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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.	No stools or chairs available for workers whose job requires them to stand all day			Provide workers whose job requires them to stand all day with stools or chairs so that they may sit when workflow permits. Provide rubber mats for workers to stand on while working to reduce the stress and strain of standing.	30-Dec-02	No progress made at time of visit.	Stools and rubber mats for ergonomic support provided for all standing workers.	
<b>Personal Protective Equipment (PPE)</b>									
<b>Dust Mask (see also Working Conditions, Dust Mask above)</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that none of the workers in the production area were wearing dust masks despite the dense concentration of airborne particulate in the area. [It was reported in worker interviews that workers] are provided with dust masks but do not wear them because they feel like they are suffocating (see Working Conditions)			Require the use of PPE/dust masks to avoid health hazards or injury. Post signs reminding workers to use PPE/masks; supervisors should remind workers to use PPE/masks.	30-Dec-02	No progress made at time of visit.	Signs requiring the use of PPE posted and workers informed of correct use of PPE. Workers provided with PPE necessary for their job. New employees provided information at orientation on the use of PPE.	
<b>Ear Protection</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	The auditors reported that, at the time of the audit, noise levels in the productions area exceeded 85 dB.			Provide workers with proper hearing protection in the production area.	30-Dec-02	No progress made at time of visit.	Workers have been provided with hearing protection, trained in the use and signs posted regarding the use of hearing protection.	
<b>Instructions</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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. 3. 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.	The auditors reported that no notices on the recommended or required use of PPE were posted in the factory.			Post instructional posters in all work areas regarding proper use of PPE and health and safety risks of not using PPE.	30-Dec-02	No progress made at time of visit.	PC compliance staff verified that signs for the required use of PPE posted.	

FLA Code/ Compliance Issue	FLA Benchmark and/or Legal Reference	Findings			Remediation		Remediation Updates		Remediation Updates	
		Verite Findings	Best Practice - Verite Findings	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	PC Updates/Follow-up Comments for October 2002	PC Updates/Follow-up Comments for January 2003	PC Updates/Follow-up Comments for March 2003	
<b>Training</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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. 3. 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.	It was reported in worker interviews that the factory has provided no information on the health and safety risks of not using personal protective equipment.			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.	30-Dec-02	No progress made at time of visit.	Training provided on the use of PPE. Training provided to all new employees in orientation on the use of PPE.		
<b>Safety Belts</b>	Per FLA Benchmarks VB, Health and Safety: 1. 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. 2. 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.	It was reported in worker interviews that warehouse workers are not provided with a safety/support belt.			Provide workers in the storage area to access to safety/lifting belts (for back protection) needed for the job. Instruct workers on the correct use of safety/lifting belts.	30-Dec-02	PC compliance staff verified that workers are provided safety belts. Workers are informed that the use of safety belts is required for workers in the storage area.			
<b>7. Freedom of Association &amp; Collective Bargaining</b>	The Mexican Constitution and Mexican Federal Labor Law permit workers to form and join trade unions (Addendum I: Mexican Federal Labor Law, art. 375). The law also allows for clauses in union contracts that require employers to hire only workers who are members of the union and to dismiss workers who quit the union or who are expelled by the union (Addendum I: Mexican Federal Labor Law, art. 395) The <b>adidas-Salomon Standards of Engagement</b> requires their suppliers to "recognize and respect the right of workers to join and organize associations of their own choosing" (Attachment C: adidas-Salomon Standard of Engagement). <b>Per FLA Benchmarks IVB, Freedom of Association:</b> 1. The employer will not interfere with the right to freedom of association by controlling workers' organizations or favoring one workers' organization over another.	It was reported in worker interviews that workers did not freely choose to be a member of the factory's union. (It was reported in worker interviews) that the union is not independent or autonomous, and [workers interviewed] judged the union to be ineffective.			1) Factory management needs to understand and be committed to the rights of workers to join and organize associations of their choosing and to 2) Management should not hinder or obstruct workers who wish to legally associate and 3) Factory management should create a worker/management communication group and ensure that there are effective, formal 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 c) record any changes that are made as a result of the suggestions or discussion in the meetings, and d) inform the rest of the workplace of issues discussed.	30-Dec-02	1) Management stated commitment to the rights of workers to join and organize associations of their choosing and to bargain collectively. 2) Management stated their commitment not to obstruct workers from freely associating or collectively bargaining. 3) Management agreed to create a worker management communication group that will meet regularly and discuss workplace issues to ensure there are effective methods of communication.	Worker management communication group started and records of issues recorded. PC compliance staff verified that there are effective channels of communication between workers and management. Ongoing monitoring will be performed.		
<b>8. Wages and Benefits</b>										
<b>Regular and Overtime Wages</b>	The legal minimum wage for general workers in zone A is 42.15 pesos (US\$4.30) per day and sewers in a garment factory is 54.40 pesos (US\$5.55) per day (Addendum II: Current Legal Minimum Wages for 2002). <b>Per FLA Benchmarks VIIIB, Wages and Benefits:</b> 1. Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	According to the auditors analysis of sampler personnel files and corresponding pay slips, [worker] earns a day rate of 42.15 pesos (US\$4.30), or a rate below the professional legal minimum for his category (Attachment D: Sample Employment Application; Attachment E: Sample Pay Slip). In addition, it was reported in worker interviews that sewers earn a base wage of between 41 and 50 pesos (\$4.18-5.10) per day.		also noted in PC's audit reports	Sewers should be paid legal professional minimum wage for their category (54.40 pesos per day). adidas requested and received a commitment letter from [Factory] management stating July 31, 2002 as the date that professional minimum wage for sewers would be implemented.	30-Oct-02	As of Sept 27, 02 no professional minimum wage had been implemented. As per email dated Sept 30, 02 wages will be paid by Oct 18, 02. Oct 02, policy and procedures for the implementation of professional minimum wage had been created and posted. Workers were informed verbally. PC compliance staff received paystubs verifying that workers have received professional minimum wage. Management paid qualified sewers retroactive payments (to July 31).	Additional sewers earning professional minimum wage, reviews of qualifications performed weekly to determine those that will obtain professional minimum wage.		
<b>Benefits and Deductions</b>	<b>Per FLA Benchmarks VIIIB, Wages and Benefits:</b> 1. Employers will provide all legally mandated benefits to all eligible workers.	It was reported in worker interviews that workers designated as trainees) have not been enrolled in the government's social security program, which entitles them to health care, retirement insurance, and workman's compensation. [] According to management, Mexican law requires employees to be enrolled into the government's social security program within one week after being hired.			Provide all workers with legally mandated benefits (IMSS - social security) within first week of employment. 1) Provide all workers with a written copy of employment benefits. 2) Inform all workers on the employee benefits and that they are provided benefits within the first week of employment. 3) Post copy of benefits information in public place in the factory, including start date information.	30-Dec-02	Workers are provided mandated benefits from the first day of employment.	PC compliance staff verified that workers are informed of their benefits; benefit information available in employee manual, distributed to all workers, and posted in public place in the factory. Newly hired workers are informed of their benefits in the first day orientation session.		
<b>Maternity Benefits</b>	Mexican labor law requires employers to provide pregnant women with six weeks of paid maternity leave prior to giving birth and six weeks of paid leave after giving birth, plus additional time of up to 70 days with half pay, if needed (Addendum I: Mexican Federal Labor Law, art. 170). <b>Per FLA Benchmarks VIIIB, Wages and Benefits:</b> 1. Employers will provide all legally mandated benefits to all eligible workers.	In worker interviews, a case was reported in which a worker had yet to be paid for maternity leave.			Maternity leave payments are made by the IMSS, national social security and medical benefit providers, not the factory. However, the factory should inform employees of their benefits and process for reimbursement. The recommendation is that management: 1) Provide workers with a written copy of the employee benefits 2) post benefits information in a public place 3) distribute written copy of the benefits information to all workers 4) inform workers of their benefits status regularly. Conduct informational seminars on benefits so that workers may understand and ask questions.	30-Dec-02	One worker has not been reimbursed by IMSS for maternity leave. Factory Human Resources manager investigated the late reimbursement and determined that it was due to late payment by social security.	Workers have been explained their benefits.	All workers provided information on health benefits in employee manual and information posted in public place in the factory.	
<b>Production Quotas</b>	<b>Per FLA Benchmarks VIIIB, Wages and Benefits:</b> 1. Regardless of any production quotas, incentives will not be reduced or unpaid if the result will be wages below the minimum wage.	It was reported in worker interviews that the production quotas set by the factory are not reasonable. However, [worker interviews did not reveal] penalties for not reaching [the] production quota.			Review production quotas to ensure that they are reasonable. 1) Please advise of the current production quotas. 2) Advise what percentage of workers achieve their production quota. 3) Analyze if production quotas are obtained by a majority of the workers and adjust as needed. 4) Follow up review and discussion will be needed to determine if quotas are reasonable.	30-Dec-02	Management stated that production quotas were not being recorded accurately. Management has enforced correct and accurate recordkeeping and document production quotas.	Analysis of production quotas determined that records were not accurate previously; current records indicate that current production targets are reasonable; according to worker interviews and management production targets are reasonable.		
<b>Pay Practices</b>	<b>Per FLA Benchmarks VIIIB, Wages and Benefits:</b> 1. In general, workers will have access to understandable information about their wages and benefits, and will not express dissatisfaction with their ability to get information. 2. Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	It was reported in worker interviews that [workers] do not understand how their wages are calculated.			Provide workers with sufficient information for understanding how their pay is calculated and to confirm their pay is accurate. Train workers on how pay is calculated. Post a written explanation of pay calculations in a public place for reference.	30-Dec-02	Management stated that supervisors explain to workers how pay is calculated. In interviews, workers stated that they may ask supervisors for an explanation of how pay is calculated if they did not understand; approx 1/3 of workers interviewed (of 10) did not understand how pay is calculated.	Workers provided with verbal explanation of how pay is calculated. Pay calculation information provided in employee manual. New hires provided with verbal explanation by supervisors and written information in manual on how pay is calculated.		

