

			Findings				Remediation				
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings: Please State if Finding is Noncompliance or Indicator of Noncompliance	Documentation (If Finding Corroborated/ Verified Via Multiple Sources, List All)	If Not Corroborated, Explain Why	Best Practice	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (May 23, 2005)	Documentation
1. Code Awareness											
Worker/Management Awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.				Factory had posted codes of conduct and its internal regulations in visible places, such as the cafeteria walls. Also, when a new employee comes into the factory, the company gives them training on personal relationships and explains how the factory works. This course is called T.P.S.					
2. Forced Labor											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.											
3. Child Labor											
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in country of manufacture where such age is higher than 15.											
4. Harassment or Abuse											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.											
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	There is [information] that shows that some supervisors scream or use demeaning verbal language with the workers under their command. There is also [information] that shows that 1 manager uses demeaning verbal language among their workers.	Interviews			1) Factory has in place an Employee Communication Committee, which meets on a regular basis to review issues/concerns of factory workers. Committee has not reported any instances of use of demeaning verbal language. That being said, the team will be asked to be more aware of this type of behavior and report back if any unprofessional conduct is observed. 2) Factory will include in disciplinary policy a clause banning all forms of harassment or abuse. Provide supervisors with written guidelines on a) disciplinary policy and procedures and b) the correct application of disciplinary actions.	February 1 for Communication Committee discussion. February 5-12 for training. Additional training September 1, 2005.		Non-Harassment Policy updated and distributed in April 2005. Additional interpersonal relationship training for supervisors has been scheduled for August. Program to be conducted by an outside firm, [Firm name].	Visual inspection, document review
5. Nondiscrimination											
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.											
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.	There are workers who are paid a higher salary than other workers who are doing the same activities. Company does not have a written salary procedure, on which they based this type of decision. On the other hand, factory has stated that this is not an arbitrary act, as they have standards; however, the standards are not written.	Finding verified by different interviews and by review of the workers' contracts.			Pay levels for all production operations based on job pay grade and/or job pay grade plus production incentive bonus. (Bonus paid when production levels are met/exceeded). Pay levels for indirect positions based upon: experience, skill level, performance, growth potential, and prevailing wage rates (within the Industrial Park and El Salvador). Pay is not arbitrary. 1) Factory to provide written guidelines on job pay grades and bonus incentives. 2) Post guidelines and provide training to all employees on the guidelines.	30-Apr-05		Pay guidelines published and distributed on April 20, 2005.	Visual inspection, management and worker interviews
Pregnancy Testing		Employers will not use pregnancy tests or 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.	We discover, throughout interviews, that some women hired by company, in the past, were asked to present urine and pregnancy tests; if they did not show with the tests, there was no problem. However, this practice was discarded by factory about 4 years ago. Factory is no longer carrying out this practice and this situation was corroborated by GMIES; therefore, factory does not discriminate against pregnant women.	Finding verified through interviews, visits to clinic and review of hiring applications.			Pregnancy testing not conducted at factory. Factory parent company developing Formal Manufacturing Guideline, which will specifically spell out that pregnancy testing is not permitted. Update non-discrimination policy with "No Pregnancy Testing" verbiage. Post Guideline in a public place, providing training to all employees on guideline. Include an explanation of guideline in new hire orientation.	June 1 for Formal Guidelines		Factory has updated and posted non-discrimination policy (April 2005). The verbiage includes a "No Pregnancy Testing" clause in posting. It is noted that pregnancy testing has not been conducted at this factory for many years.	Visual inspection, document review, worker interviews, interviews with clinic staff
Pregnancy Risk		Employers will ensure that pregnant women are not engaged in work that creates substantial risk to their health.				Although not established by law, factory protects pregnant women by shifting them from workplaces that might be dangerous for their health during pregnancy. This situation neither affects their salary, nor is obligatory; it is only temporary.					
Reproductive Health		Employers will ensure that women are not engaged in work that creates substantial risk to their reproductive health.				Pregnant women do not work in cleaning department due to chemicals used in the process, although women are hired for this department.					

Accurate Benefit Compensation	Article 25 of Labor Code: "Contracts regarding labors that, due to their nature, are permanent in factory should be considered for an indefinite period, although in them is established a termination date. Article 199 of Labor Code: "Minimum quantity that should be paid to workers as allowance for year-end bonus will be: 1) Year or more or less than 3 years of service, allowance equivalent to 10 days salary; 2) 3 years or more or less than 10 years, equivalent to 15 days salary; 3) 10 years or more, equivalent to 18 days.	All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine benefits to which workers are entitled.	Factory has policy of terminating labor contracts every year; at same time, they compensate workers for end of labor relationship as Labor Code establishes. Workers' files contain resignation sheets signed by workers still working in factory, along with new labor contracts with new starting dates of labor. This affects workers' ability to obtain better compensation throughout the years and in case of dismissal because, in new contract they sign, they appear as new employees to company and do not develop seniority. Although this could be a positive finding in actual context of factories, as normally they finish employees' contracts without paying any compensation.	Verified through multiple interviews and review of workers' contracts.			Factory completes employee contracts after a 3-year period of employment. Decision to make payments in this manner was done so in consultation with employees, via their vote. PCs are working through the FLA and industry stakeholders to further understand the local and standard industry practices in this area. Once there is clarity around this issue and a determination has been made, PCs will work with factory on a plan that follows the agreed upon recommendation.	No action required.			
9. Hours of Work											
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.											
10. Overtime Compensation											
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.											
OT Breaks		Employers will ensure reasonable meal and rest breaks, which, at a minimum, must comply with local laws.				All workers have 2 breaks during the day (1 in morning, 1 in afternoon), even if they are not working overtime.					
OT Compensation	Article 169 of Labor Code: "Every job verified to be in excess of regular work shift shall be remunerated with supplement consisting of 100% of basic hourly wage, up to the limit set by law."	Factory shall comply with applicable law for premium rates for overtime compensation.	Payroll review showed factory is not accurately compensating all workers working overtime, as pays between \$0.14 - \$0.30 less than what law establishes per hour. When we asked factory the reasons for doing this, they said they were not aware of this situation and would check accounting program set up in computer system. A maquila worker's wage is \$0.63 per hour and, according to law, extra hour should be paid double, or \$1.26, so paid around \$0.96 - \$1.12 per extra hour.	Finding verified through payrolls.			Computer program has been corrected to allow for proper overtime calculation. All back wages owed to employees have been paid.	Computer program change is complete. March 1 is targeted for calculation and payment of back wages.		February 1, 2005: Factory to provide back pay in 1 lump sum (~\$25,000) to all workers on February 4, 2005; separate receipts for this back pay will be given to each employee owed. To be verified on next PC visit.	Document review (and on file with PC)
Miscellaneous											
Other			Company does not send workers' labor contracts to Ministry of Labor, as it is established by law.	Corroborated through document review and management interviews.			Copies of labor contracts have been made and given to Ministry of Labor. Develop written procedures for HR department that include how and when to forward copies of labor contracts to MOL (this could include a new hire checklist). Provide training to all HR staff in procedures for hiring.	30-Apr-05		Copies of all contracts have been provided to Ministry of Labor.	Document review, management interview