			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 Sources, List	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 ther 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 la	abor, whether in the form of prison labor, inden	tured labor, bonded labor or otherwise.								
3. Child Labor										
for completing compulsory education	e younger than 15 (or 14 where the law of the in country of manufacture where such age is	country of manufacture allows) or younger than the age higher than 15.								
<ol> <li>Harassment or Abuse</li> <li>Every employee will be treated with reharassment of abuse.</li> </ol>	espect and dignity. No employee will be subje	ect to any physical, sexual, psychological or verbal								
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	There is [information] that shows that some supervisors interviews scream or use demeaning verbal language with the workings under their command. There is also [information] hat shows that I manager uses demeaning verbal language among their workers.			1) Factory has in place an Employee Communication Committee, which meats on a regular basis to review insurance of the second second second second second second reported any instances of use of demonsting whotel 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 the output of the correct application of disciplinary actions.	training. Additional training September 1, 2005.		Non-Harassment Policy updated and distributed in April 2005. Additional distributed in April 2005. Additional supervisors has been softwalked for august. Program to be conducted by an outside firm, [Firm name].	Visual inspection, document review
		ary, benefits, advancement, discipline, termination or nationality, political opinion, or social or ethnic origin.								
Hiring Discrimination Practices		wages, bonuses, allowances, and other forms of	this is not an arbitrary act, as they have standards; however,	iew of		Pay tevels for all production operations based on job pay grade and/or job pay grade plus production incensive borns. (Borus paid when production levels are net/exceeded). Pay levels for indirect positions based upon: experience, skill leve performance, growth potential, and provailing wage rates (within the Industrial Park and E Sahadoh). Pay is not arbitrary. 1) Factory to provide written guidelines on job pa grades and borus incentives. 2) Post guidelines and provide training to all employees on the guidelines.	y		Pay guidelines published and distributes on April 20, 2005.	d Visual inspection, management and worker interviews
Pregnancy Testing		contraception as a condition of hiring or of continued	We discover, throughout interviews, that some women hired by company, in the past, were asked to present unite 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.	inic and		Pregnancy testing not conducted at factory. Factory parent company developing Formal Manufacturing Guidelne, which ill specifically sell out that pregnancy testing is not permitted. Update non-discrimination policy with "No Pregnancy Testing" verbaige. Post Guideline in a public place, providing training to all employees on guideline. Includ an explanation of guideline in new hire orientation.	Guidelines		Factory has updated and posted non- discrimination policy (April 2005). The vertiage includes a "No Pregnancy Testing" clause in posting. It is noted that pregnancy testing has not been conducted at this factory for many years	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.					

Other 6. Health and Safety Emclovers will provide a safe	*Ley de Equiparación de Oportunidades para personas con Discapacidades' (Law of Equal Oportunities for Disabled persons). In Article 24 the law mentions that "Every private employer has the obligation to hire, as a minimum, for each 25 workers under his service, to 1 disabled person with formal education and suitable to develop the position that it is in demand.*		Company has hired only 11 disabled people and, according to law, due to amount of workers in factory (10.58), there should be 43 disabled workers. GMRES speke to factory has carried out situation and they stated that, although factory has carried out several efforts to hire disabled persons, there are no applications from these persons to work in factory. Also, they do not have any way to contact them.	through document review and management interviews	[Factory name] has attempted to comply with national guidelines for percentage of handicapped employees, but labor pool will not support this level. A job fair for handicapped applicants was conducted and no one came. As noted in IEM report, factory does employ handicapped individuals and will continue to seriously consider any who may apply. PCs to request that factory provide job vacancy information to [Local governmental organization that provides job training to handicapped individuals].	comm agen handi curre appro	acancies and hiring plans will be unicated with [Local governmenta] y responsible of dealing with capped citizenny]. Factory is itily not hiring, but will utilize this ach when additional operators are d.	
	rk or as a result of the operation of employer facilities.	and injury to nearth ansing out or, inned with, or						
Fire Safety: Health and Safety Legal Compliance	y l	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.	Factory neither has required permit to develop screen printing activity, nor has initiated process to obtain it, even though Environmental Ministry stated in tetre (MARN-DAI-722- 2003 81/12/2003) that this activity could not be initiated without this autoinzation. Letter addressed to factory from Environmental Ministry establishes that they need correct authorization initiate screen printing activities. However, we asked for documents that show this authorization is factory that and they have no evidence showing that factory has initiated process to obtain authorization to develop screen printing activities. Actually, factory is developing screen printing activities, due to lack of evidence, supposedly without the legal permit.	reviewing factory documents related to this issue and the lack of evidence regarding initiation of procedure to obtain legal authorization.	Factory has requested from Environmental Ministry a formal permit to function screen print facility. Application expected to be completed and approval received by end of Fabruary 2005. It is noted that there is a significant backlog of work at this Ministry and that formal approval may be delayed. Management to forward copy of permit to PC once received.		nmental agency to provide formal	Document review
Ventilation/Electrical/Facility Maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to confon to applicable laws and to prevent hazardous conditions for employees in facility.	Although ventilation system into most parts of factory is n adequate, ventilation at storage area is not adequate. According to information provided by Safety and Hygiene Manager, the people who work in that area will be relocated to another place, where ventilation will be adequate for their activities.	Finding verified by observation, temperature measurement equipment and through interview with Safety and Hygiene Manager.	No ventilation issues identified where employees are located.	syste	Ministry has examined ventilation D n and verified that nt system is sufficient in storage	Document review
7. Freedom of Association Employers will recognize and	and Collective Bargaining respect the right of employees to freedom of association	on and collective bargaining.						
Discrimination		The employer will not discriminate against workers who seek to exercise their right to organize and bargain collectively.	Workers said that people who have been union members are not hired by company. The only way to corroborate this situation was through interviews. There is no union in factory and when we interviewed workers about this subject, most people said that factory does not talk about unions. When we management about this issue, they said that they have 2 Workers' Committees.	Worker interviews	Applicants hired are done so without consideration of union status. It is company policy that all hiring is based on ability to perform the jdb; union affiliation is not a consideration for hiring. Provide training on discrimination (in hiring, firing) and in Freedom of Association (FoA) standards. Include clause in non-discrimination policy explaining that hiring and firing decisions shall not be made on the basis on union affiliation.	distrit states union oppor and F	ed Non-Discrimination policy V ured and posted in April 05 clearly d it at membership to a will not affect employment runities. Training on discrimination A standards provided in yee orientation.	/isual inspection, locument review
8. Wages and Benefits								
	ges are essential to meeting employees' basic needs. E scal law or the prevailing industry wage, whichever is high							
Wage Benefits Awareness		Employers will communicate orally and in writing to employees in the language of the worker the wages incentive systems, benefits and bounses to which a workers are entitled in that company and under the applicable law.		Verified by a multiple number of interviews.	A pay calculation awareness/understanding program has been started with the posting of payroll calculation information. Groups of employees will be provided training until all workers have received training. Additional questions from employees will be addressed by supervision and payroll personnel.	comp	Il training for all active employees D eted in April 2005. New hires will e the same training.	Jocument review, worker interviews
Payment of Legal Benefits		Legally mandated benefits will be provided or paid in full within legally defined time periods.						

	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 198 of Labor Code: "Minimum quantity that should be paid to workers as allowance for year-end borus 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 18 days.	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 sill 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 the 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 and 12 hours overtime or (b) the I	circumstances, employees will (I) not be required to work more than the lesser of (a) 48 hours per week imits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws ours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least riod.							
10. Overtime Compensation								
	for regular hours of work, employees will be compensated for overtime hours at such premium rate as is nanufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular							
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 tmorning, 1 in afternoon), even if they are not working overtime.				
	Article 168 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."	Payroll review showed factory is not accurately compensating all workers working overtime, as pays between 60.14 - 60.30 less than what law establishes per hour. When we asked factory the reasons for dring this, they said they were not aware of this situation and would check accounting program set up in computer system. A mangula worker's wage is 50.63 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.			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.	Edbuary 1.2005; Festory to provde back pp: in 1 turno stum (-825.000) to all workers on February 4. 2005; separate neckpis for this back pay will be given to each employee owed. To be verified on next PC visit.	
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	30-Apr-05	Copies of all contracts have been provided to Ministry of Labor.	Document review, management interview
					checklist). Provide training to all HR staff in procedures for hiring.			