FLA Audit Profile			Independent External Verification								
Country Factory name	El Salvador 46002203D		El Salvador 46002203DV								
IEM Date(s) in facility	GMIES October 26 - November 7, 2005		GMIES August 24 - 26, 2010								
PC(s) Number of workers	MJ Soffe 632		MJ Soffe 650								
Product(s)	Apparel		Apparel Sewing/Packing								
Production processes	Sewing/Packing										
FLA Code/Compliance				IEM Findings							
Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance							
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 has posted codes of conduct and its internal regulations in visible places, such as the plant's main entrance. However, during the interviews, none of the workers knew anything about the codes of conduct.								
Confidential Noncompliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Although management said that the factory has a suggestion box through which workers are able to report their grievances or suggestions to the HR Manager or other management representatives, according to the worker interviews, this channel has been hardly ever used. Most workers said that they are not aware of the existence of this mechanism; the few who said they knew of it did not know how to use it. However, according to the interview with the union representative, this suggestion box is reviewed weekly by the Union's General Secretary and the findings are discussed with the management.								
2. Forced Labor There will not be any use of forced	l labor, whether in the form of prison labor, inder	ntured labor, bonded labor or otherwise.									
3. Child Labor											
	age younger than 15 (or 14 where the law of the ucation in the country of manufacture where suc	country of manufacture allows) or younger than the h age is higher than 15.									
4. Harassment or Abuse Every employee will be treated with	respect and dignity. No employee will be subje	ect to any physical, sexual, psychological or verbal									
harassment of abuse. Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	One person who telephoned GMIES said that during the monitoring processes they are pressured by one of the management representatives to avoid talking about negative aspects of the factory. Moreover, after these monitoring processes, the employees who were interviewed are threatened and humiliated in public. On the other hand, this person also stated that the employees are continuously insulted throughout the speakers. Besides, when the workers express to management their intentions to sue the factory, the response is that they are "asking to be sent to jail," as management can say that they stole something from the plant. Also, two of the workers interviewed stated that, in previous monitoring processes, some employees had been admonished by management because they reported some factory irregularities, one of the reasons why the workers prefer to lie about some of the factory conditions.								
		ary, benefits, advancement, discipline, termination or									
retirement, on the basis of gender origin.	, race, religion, age, disability, sexual orientation	n, nationality, political opinion, or social or ethnic									
Pregnancy Discrimination		Information arising from pregnancy testing undertaken voluntarily will not be used as a factor in involuntarily reassigning, firing or making any other employment decision that disadvantages a pregnant woman.		A pregnant women that GMIES interviewed stated that if a new worker finds out in the first month of being at the factory that she is pregnant, there is a risk that management would fire her. Another worker said that when she found out about her pregnancy condition and informed the factory's management, they told her that because of her past history of illnesses, her condition could be a problem; consequently, for that reason, they would probably have to suspend her.							
Pregnancy Accommodation		Reasonable accommodation will be made in the event of pregnancy, in a manner that will not unreasonably disadvantage the pregnant woman.	3 of the pregnant women that GMIES interviewed stated that although they have requested some changes related to their actual accommodations, (i.e., chairs that have some back support, change of operations or machinery) factory management has not attended to their requests.								
Other	The Law of Equal Opportunities for Disabled Persons, on its article 24 the law mentions that "Every private employer has the obligation to hire, as a minimum, for each 25 workers under his service, 1 disabled person with formal education and suitable to develop the position that is in demand."		Company has hired only 6 disabled people and, according to the law, based on the number of workers (652), factory should employ 26 disabled workers. The law that establishes this situation is "Ley de Equiparación de Oportunidades para personas con Discapacidades" (Law of Equal Opportunities for Disabled Persons). GMIES spoke to the factory about this situation. They stated that the main problems they have in complying with this issue are related to the procedures established by the Ministry of Labor on hiring disabled persons and the capacity of these people to develop the activities carried out by the factory.								
		ts and injury to health arising out of, linked with, or									
Fire Safety: Health and Safety Legal Compliance	as a result of the operation of employer facilities	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.		Although, the factory has the environmental permit required by the law (MARN -DAL- 297-2002) GMIES verified that the Environmental Adjustment Program has not been fully applied by the factory.							
Document Maintenance/ Accessibility		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	There is no information posted at visible places regarding the risks of mishandling the chemical substances used at the cleaning department.								
		different from the local language.									
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	In the production area it is difficult to follow the evacuation route because machines and materials, a) in some occasions, make access to the evacuation route difficult and, b) in other cases, block the exits.								
PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.									

IEM Findings	-			Remediation		[Status]	Updat	es	[Status]	Third-Party Verification		Remediation	[Status]
Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why Sources/Documentation Used for Corroborating	PC Remediation Plan Co	Target ompletion Company Follow Up Date	Documentation	Completed, Pending, Ongoing	Company Follow Up		Completed, Pending, Ongoing	External Verification (August 24-26, 2010)	Documentation	Company Remediation Plan	TargetCompleted, Pending, Ongoing
		Interviews with the workers and observation.		7/21/2006 Supervisors were trained. Copy of code of conduct was given to employees. Code of conduct was explained ov microphone. The initial training, completed July 21, is continuing with each new hire.	ver the worker interview.	Completed and ongoing as new hires come in.		management and	ongoing as new code durin hires come in. this was pl	: Management said that workers are explained about the og the recruitment process, but no documentary evidence of rovided. Besides, 85% of interviewed workers assured they are of the company code.	Interviews with workers.	Factory management will have meetings every 6 months, starting February 17, they will explain the code of conduct to workers. Every employee that attends will sign detail document of what has been spoken of; this document will be filed under their personne records. [Employee name] is the person responsible for executing the trainings in the factory. MJ Soffe sponsored a two-day training in EL Salvador in December 2010.	
gestion evances nent his id that n; the t. y by the ssed		Interviews with the management, the union representative and the workers.		In Place The suggestion boxes are checked on a weekly basis, suggestions with their responses filed. There are 3 suggestion boxes in different areas: main entrance, wo restroom, men's restroom. The suggestion boxes will b opened weekly and management responses will be give within a week.	with management on omen's suggestions be received and if		January 4, 2007: Observation, while visiting.		of the pho	: According to the management workers are orally informed ne number and email account they can use to contact the wever, 90% of interviewed workers do not know these	Interviews with workers.	Factory management will have meetings every 6 months, starting February 17, to explain a) the code of conduct and b) the channels for how to contact the brand by email or telephone number included in the posters to workers. Will be sending a signed document by the employee. [Employee name] is the person responsible for executing the trainings in the factory.	
he he egative ing d, this sly workers ctory, ," as the , in d been some		Through a phone call and through interviews with the workers held inside the factory's facilities.					January 4, 2007: By observation			TED: There was no evidence of verbal abuse or intimidation painst workers.	Interviews with workers.		
kers													
A pregnant women that GMIES interviewed stated that if a new worker finds out in the first month of being at the factory that she is pregnant, there is a risk that management would fire her. Another worker said that when she found out about her pregnancy condition and informed the factory's management, they told her that because of her past history of illnesses, her condition could be a problem; consequently, for that reason, they would probably have to suspend her.		Interviews with pregnant women.	Talked with management again today for reassurance that pregnant women were helped if during their pregnancy they had problems doing their regular job. They again reassured me that they would move them to another job to help them. O	ngoing when January 4, 2007: 84 days of maternity leave and 75% of needed. their salaries are given by social security during their leave and follows doctors' notes, along with instructions given by doctors.		Completed		Discussions with management.	Completed COMPLE	TED: No issues relating to pregnant women were found.	Interviews with pregnant women and observation tour.		
ed that to their back		Interviews with pregnant women.	Factory will train supervisors to work with employees if they encounter problems during pregnancy.	Now and January 15, 2007: Factory management has assured u ongoing they do help pregnant women when they encounter prok during pregnancy by changing their jobs if requested.	us that Will set up blems interviews with pregnant women to see how they are doing.		Next visit down February 2007	Will have interviews with pregnant women.		TED: No issues relating to pregnant women were found.	Interviews with pregnant women and observation tour.		
rding to ry blishes es para tunities bout this /e in s 1 the		Document review and interview with the management.	Work with factory to help them comply with laws concerning the hiring of disabled persons. Will continue checking employment files to verify hiring process.	Present and January 8, 2007: The factory understands and knows the continuing of disabled persons. There is an agreement readapting and recommendations between government companies, for every 100 employees, 4 disabled must hired.	ent of files t and	Completed	January 8, 2007	Employment files	Completed COMPLE with disabi	TED: Factory has now the legal required number of workers lity.	Records review, worker and management interviews and observatio tour.	on	
Although, the factory has the environmental permit required by the law (MARN -DAL- 297-2002) GMIES verified that the Environmental Adjustment Program has not been fully applied by the factory.		Interviews with the management and document review							COMPLE	TED: Environmental Program is being implemented.	Interview with manageme and observation tour.	nt	
ding the the		Observation								TED: There is posted information on the safe handling of in the relevant areas.	Observation tour.		
ation cult and,		Observation and worker interview		The workers at the factory had participated in several evacuation procedures and also have received courses first aid procedures and fire control.					COMPLE	TED: Evacuation routes were found unblocked.	Observation tour.		
t to their		Observation		On the spot remover tables there's a way out; employee use this way out to remove stains from garments, that w chemicals are disposed of through a vacuum system ve them to the outside.	way				workers in During the masks bec allergies o them beca the use of fabric in th manageme usage duri	the sewing department production lines do not use masks. interviews, workers explained that they refuse to use the cause either they cause difficulties with breathing and/or r are uncomfortable. Other workers said they do not use suse of the heat. There is no posted information requiring masks in sewing department, where there is tiny spotted the environment. By records review, there was evidence that ent explained to workers the importance of relevant PPE ing the recruitment process. However, gathered information t during regular employment, workers are not continuously	Observation tour and interviews with workers.	Factory management will conduct periodic meetings every 6 months to educate, train and enforce the use of PPE starting February 17, 2011. During these meetings an attendance document will be filed for future reference. Factory will post PPE signs in all required areas. [Employee name] and Health and Safety Committee are responsible for enforcing this requirement. MJ Soffe recommends the introduction of positive incentives to the workers to improve and maintain the use of PPE.	
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FLA Code/Compliance		FLA Benchmark	Nencompliance	Bick of N
Issue Chemical Management	Country Law/Legal Reference		Noncompliance There is no information posted in visible places regarding risks of mishandling chemical substances used in the cleaning department. Substances used in cleaning department are not adequately disposed of because workers in this area sprinkle these substances on some of the discarded clothes; later, these clothes are placed inside some of the cabinets in the factory.	Risk of N
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.		
Sanitation in Facilities 7. Freedom of Association and	Collective Bargaining	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	The toilets were unclean at the time the monitoring process was being conducted.	
	ect the right of employees to freedom of associ	ation and collective bargaining.		
Employer Interference in Registration		The employer will not interfere, to the detriment of worker's organizations, with government registration requirements regarding the formation of workers' organizations.	Union affiliation is mandatory, because if employees do not sign the affiliation book at the moment that they sign their labor contracts, they are not hired by the company.	
Unfair Dismissal		The employer will not dismiss, discipline, or otherwise coerce or threaten workers seeking to form, join or participate in workers' organizations.	Although there are already 2 unions at the factory, some of the workers interviewed stated that they think that the factory would not allow a different union at the plant. Some time ago workers tried to form another union; management did not allow them and even fired some people.	
Employer Interference/Formation of Alternative Organizations		In cases where a single union represents workers, the employer will not interfere in any way in	Although there are already 2 unions at the factory, some of the workers interviewed stated that they think that the factory	
Compliance to Local Collective		workers' ability to form other organizations that represent workers	would not allow a different union at the plant. Some time ago workers tried to form another union; management did not allow them and even fired some people. According to the percentage established in labor code for	
Bargaining Laws		laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers.	collective bargaining, both unions have the right to negotiate a collective bargaining agreement (CBA) with management. However, the union representative interviewed stated that they would rather negotiate individual cases with Ministry of Labor. On this issue, it is necessary to point out that the reasons argued by both unions to abstain themselves in initiating the negotiation of a collective bargaining agreement with management were contradictory. At the beginning they said that management was not willing to initiate the negotiation, but later on they said that union had decided that it was not necessary.	
Other/No Interference Policy			It is important to mention that union affiliation is mandatory. Some of the workers interviewed stated that they think that the factory would not allow a different union at the plant, because some time ago the workers tried to form another union; the management did not allow them and even fired some people. Also, factory does not hire workers who are affiliated to other unions. Besides, none of the workers interviewed knew any of the unions' names, the activities they carry out, the procedure by which the union representatives are elected or if they held meetings with the workers. One worker said that both unions continuously pressure the employees to reach their goals.	
		s. Employers will pay employees, as a base, at least		
	anaw or the prevailing industry wage, whichever	r is higher, and will provide legally mandated benefits.		
Timely Payment of Benefits	According to the Sakedarian Labor Labor	All legally mandated deductions for taxes, social insurance, or other purposes will be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. Employer will not hold any of these funds over from one pay period to the other, unless the law specifies that deposits are to be made less frequently than pay periods (e.g., monthly deposits, weekly pay). If the law does not specify, then deposits will be made before the next pay period in all cases.	The factory has a different payroll which includes the persons that are hired as apprentices and deducts neither their social security quota nor their pension plan quota.	
Deduction for Services	According to the Salvadorian Labor Law deductions made to employees' gross salary will not exceed 20% of it	Deductions for services to employees will not exceed the cost of the service to employer. If	Several workers presented a higher withholding than what is permitted by the law.	
	will not exceed 20% of it.	questioned, employers will demonstrate the reasonableness of these charges.		

		IEM Findings			Remediation	[Status]	Updates	[Status]	Third-Party Verification		Remediation	[Status]
hmark	Noncompliance	Risk of Noncompliance	Evidence of NoncomplianceIf Not Corroborated, Explain WhySources/Documentation Used for Corroborating	PC Remediation Plan Date	Company Follow Up	Documentation Completed, Pending, Ongoing	Company Follow Up Documentation	Completed, Pending, Ongoing	External Verification (August 24-26, 2010)	umentation	Company Remediation Plan Target Completion	
in accordance with	There is no information posted in visible places regarding risks of mishandling chemical substances used in the cleaning department. Substances used in cleaning		Observation					<u> </u>		ion tour and s with workers.		
ponsibilities, in the safe r hazardous	department are not adequately disposed of because workers in this area sprinkle these substances on some of the discarded clothes; later, these clothes are placed inside some of the cabinets in the factory.											
ectrical, and lighting and maintained to and prevent hazardous the facility.			Observation							ture taken with the nstrument) and nterviews.	Factory repaired 3 fans that were not working when the inspection was conducted. Factory checked that all fans are in working condition in order to decrease the ambient temperature inside of the factory. Also, factory installed automatic oasis system, so that workers can drink cold water at anytime. [Employee name] (maintenance) will be responsible for checking that the fans are working properly. The placement of the lamps was under supervision of the labor department, to comply with the illumination requirements in the factory. A thermometer was installed in order to monitor the temperature during working hours. MJ Soffe recommends to perform regular ambient temperature testing throughout the year. Engage local authorities to lead the testing and make the results available.	011
y buildings, toilets, nics, shall be kept clean nce with applicable	The toilets were unclean at the time the monitoring process was being conducted.		These findings were verified by observation.						PENDING: Toilets conditions in restrooms were not appropriate. Observation Some toilets have broken levers to let water go away and some doors don't close properly. Despite the fact that there is a cleanliness personnel, toilets were dirty with urine and feces. Some toilets have also leaks. Observation		Factory has repaired broken levers, toilets and doors that do not close properly. Factory will implement a schedule, and signage sheet for maintenance in the bathrooms. Factory has improved the cleanliness of the restrooms. [Employee name] is responsible for keeping both the women's and men's bathrooms clean at all times according to the cleaning schedule.	010
ng.												
h government	Union affiliation is mandatory, because if employees do not sign the affiliation book at the moment that they sign their labor contracts, they are not hired by the company.		Image: state of the state						5	leaders of both ons. Observation	Factory management to enhance its FOA policy by including the following elements: 1) ensure employees will not be subject to intimidation or harassment in exercising their right to join or to refrain from joining any organization; 2) no interference and/or favoritism to any active union at the workplace; 3) define the disciplinary process should any violation to this policy occur; and 4) define the communication protocols of enhanced FOA policy to parties involved. [Employee name], HR Manager, responsible for policy implementation and/or enforcement. Factory management to create FOA procedures that provide guidance on the following : a) relationship management; b) consultation/negotiation with active unions; c) dispute settlement; and d) communication of procedures to parties involved. [Employee name], HR Manager, responsible to ensure their implementation. MJ Soffe recommends that factory management consider a neutral 3rd party for ongoing policy and/or procedures training.	1
en workers seeking to vorkers' organizations.	Although there are already 2 unions at the factory, some of the workers interviewed stated that they think that the factory would not allow a different union at the plant. Some time ago workers tried to form another union; management did not allow them and even fired some people.		Interviews with the workers.						shows that factory has fired unionized workers in past, arguing and union retrenchment. Members of the SITS board that were interviewed trade unio	leaders of both ons. Pre-audit	MJ Soffe recommends the factory to maintain a better record of employees. June 30, 2011 (Some workers were fired and they claimed being officials from the union committee, HR requested their IDs, but were not available. Weeks later they returned with their IDs and they were rehired).	
ere in any way in er organizations that	Although there are already 2 unions at the factory, some of the workers interviewed stated that they think that the factory would not allow a different union at the plant. Some time ago workers tried to form another union; management did not allow them and even fired some people.		Image: state of the state						UNCORROBORATED NONCOMPLIANCE: Gathered information shows that management support STITAS and provide this union more opportunities than SITS. For example, from the observation tour, it was corroborated that the leader of STITAS has time to perform union activities in working time at the factory, while no member of SITS has such advantage. Besides, according to SITS leaders, management allows STITAS Board members to approach new workers in order to affiliate them to the trade union, while management tries to keep new employees away from SITS Board members. For that reasons, management is hindering the affiliation activities of SITS.	leaders and and observation	Factory management to enhance its FOA policy by including the following elements: 1) ensure employees will not be subject to intimidation or harassment in exercising their right to join or to refrain from joining any organization; 2) no interference and/or favoritism to any active union at the workplace; 3) define the disciplinary process should any violation to this policy occur; and 4) define the communication protocols of enhanced FOA policy to parties involved. [Employee name], HR Manager, responsible for policy implementation and/or enforcement. Factory management to create FOA procedures that provide guidance on the following : a) relationship management; b) consultation/negotiation with active unions; c) dispute settlement; and d) communication of procedures to parties involved. [Employee name], HR Manager, responsible to ensure their implementation. MJ Soffe recommends that factory management consider a neutral 3rd party for ongoing policy and/or procedures training.	1
erning collective ation. Where conflicts ers will use the standard protection for workers.	According to the percentage established in labor code for collective bargaining, both unions have the right to negotiate a collective bargaining agreement (CBA) with management. However, the union representative interviewed stated that they would rather negotiate individual cases with Ministry of Labor. On this issue, it is necessary to point out that the reasons argued by both unions to abstain themselves in initiating the negotiation of a collective bargaining agreement with management were contradictory. At the beginning they said that management was not willing to initiate the negotiation, but later on they said that union had decided that it was not necessary.		Interviews with the union's representative.						ONGOING: The biggest union at place has begun talks with management in order to negotiate a Collective Bargaining Agreement. The problem is that this union is so close to the management and it does not have independence. Interviews management and it leader.			
	It is important to mention that union affiliation is mandatory. Some of the workers interviewed stated that they think that the factory would not allow a different union at the plant, because some time ago the workers tried to form another union; the management did not allow them and even fired some people. Also, factory does not hire workers who are affiliated to other unions. Besides, none of the workers interviewed knew any of the unions' names, the activities they carry out, the procedure by which the union representatives are elected or if they held meetings with the workers. One worker said that both unions continuously pressure the employees to reach their goals.		Interviews with the workers.						PENDING: As it was mentioned above, management promotes the affiliation of workers to the biggest union at place (STITAS), which constitutes an interference. Interviews and union members.	leaders and	Factory management to enhance its FOA policy by including the following elements: 1) ensure employees will not be subject to intimidation or harassment in exercising their right to join or to refrain from joining any organization; 2) no interference and/or favoritism to any active union at the workplace; 3) define the disciplinary process should any violation to this policy occur; and 4) define the communication protocols of enhanced FOA policy to parties involved. [Employee name], HR Manager, responsible for policy implementation and/or enforcement. Factory management to create FOA procedures that provide guidance on the following : a) relationship management; b) consultation/negotiation with active unions; c) dispute settlement; and d) communication of procedures to parties involved. [Employee name], HR Manager, responsible to ensure their implementation. MJ Soffe recommends that factory management consider a neutral 3rd party for ongoing policy and/or procedures training.	1
ees, as a base, at least gally mandated benefits.												
ions for taxes, social es will be deposited	The factory has a different payroll which includes the persons that are hired as apprentices and deducts neither their social security quota nor their pension plan quota.			when they have completed their continuing	The training wage is paid for 30 days now with neither social security quota nor pension plan quota taken out during that 30 days. Beyond the 30 days, normal deductions are taken out.	Document review Completed	February 2007 Employee file, and document review.	Completed	COMPLETED: Factory does not have double payroll any more. Records r	review.		
employees will not vice to employer. If demonstrate the harges.	Several workers presented a higher withholding than what is permitted by the law.			take out the standard deductions unless there is an allowance for bank payment. Will	Article 132 of the law allows the company to deduct 20% of their salaries. Article 136 (Flexible) from Labor Code allows the company to deduct 20% of their salaries if they have, for example, a bank allowance.		February 2007 Employee pay files	Completed	COMPLETED: Factory does not apply withholding in excess of the legal limits. Records r	review.		

			IEM Finding	s			Reme	diation		[Status] Upd	lates [Status]	Third-Party Verificati	on	Remediation	[Status]
FLA Code/Compliance Issue Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of If Not Noncompliance Corroborate (Uncorroborated) Explain Wi	ed, Sources/Documentation Used for	PC Remediation Plan	Target Completion Date	Company Follow Up	Documentation	Completed, Pending, Company Follow U	p Documentation Pending,	d, External Verification	Documentation		[Status] Target Completion Date
Payroll Reporting	Accurate and reliable payroll reporting, including pay stubs, will be provided.	The factory maintains double payrolls.			Situation was verified through payroll review and worker interviews; when GMIES verified workers payroll, we noticed that there were some employees who were not listed on the official payment record. When we asked for an explanation from HR management, she showed another payroll, which did not show any social security or pension plan deductions. Coincidentally, it was with the list of persons hire as apprentices. When GMIES verified workers' payroll, we noticed that employees do not receive any bonuses or incentives when they reach their daily goals. However, during interviews workers stated that the factory gives them bonuses every time they reach their daily goals.					Ongoing	Ongoing	COMPLETED: Factory does not have double payroll any mo	re. Records review.		Completion Date Ongoing
Legal Benefits	Employers will provide all legally mandated benefits to all eligible workers.											NEW FINDING: Factory does not effectively guarantee the r nursing mother to breastfeed her baby (Article 312 of the Co Labor). Considering she lives so far away from the factory, t way to ensure she could exercise this right is to provide her t nursing hour at the beginning or the end of the working day, in at the lunch break.	de of and management ne best interviews he	rs Factory will ask the nursing mother what would be the best time for nurse her child, either in the morning, at noon or towards the end o working day. After which, factory will create policy and procedures nursing mothers to respect their chosen hour. [Employee name}, H manager, responsible.	f her for
Payment of Legal Benefits	Legally mandated benefits will be provided or paid in full within legally defined time periods.				GMIES corroborated this situation throughout the payrolls.							 NEW FINDING: There is a noncompliance regarding this berdue to the following situations: 1) 4 cases of employees fired 2010 without receiving the relevant severance were found, a 59 of Code of Labor claims. Management did not provide expabout the lack of severance payment. 2) Factory does not reseniority while calculating Christmas bonuses of fired worker were 3 cases of fired workers who did not receive their comp Christmas bonus (as Article 198 of Code of Labor requires) factory dismissed them. These cases correspond to a samp reviewed in the period of May 2009. 3) Factory does not take into account the average of salaries must include overtime and bonuses, in order to calculate legal such as Christmas bonus, vacations and severance. Factory applies the basic salary, excluding overtime and bonuses; thi infraction of Articles 119, 183 and 199 of the Code of Labor. 	in May s Article blanation spect s, there blete when le s, which al benefits y only s is an	ew. 1) Company recommends that factory considers paying severance workers as required by local labor law. 2) Factory to include the se Christmas bonus calculations. Payroll system was fixed in Novemb (based on Article 198 of Code of Labor). In regards to 3 cases of workers, factory tried to locate them without any success. 3) Comp recommends that factory management ensures payment for the m benefits based on salary averages. For a more sustainable approx factory management to enhance or create Wages, Benefits and C Compensation policy and procedures that; a) describe commitmer workers at least the minimum total compensation required by local including mandated wages, benefits, overtime compensation and a payments in accordance with terms of employment; b) establish the overtime hours worked will be compensated at legal rate as set by requirements; c) commitment that all worked hours, including overtibenefits, must be recorded in payroll and paid in accordance with laws. Management to create procedures that: a) information regar payroll calculation will be well defined, recorded and communicated managers in charge, supervisors and workers; b) establish system ensure workers will be compensated at legal labor law; c) [Emponame], HR Manager, is responsible for assuring all hours worked, overtime, and calculation of benefits are being tracked and paid in accordance to local labor law.	niority in ber 2010 fired bany entioned ach, the overtime to pay law, dditional at legal ime and bocal labor ding to n to e, , vyee including
Accurate Recording of Wage Compensation	incentives will be calculated and recorded	Factory does not pay time established for lunch break because they work 9 hours a day, instead of 8, which is the standard established by Salvadoran Labor Code.			This situation was corroborated by GMIES through interviews with workers and managemen and was also verified through payroll review.		divided, ei work so e shall be at	g to Labor Code Art. 166, when day work is no mployer must give employees breaks within da mployees can have their food time. These bre t least 30 minutes. Factory has provided clear to on pay for lunch and has informed employees	ay worker interview. eaks	mpleted Copy of guidelines.	Document review Completed	COMPLETED: Factory is paying employees for all the time performed.	Records review.		
Timely Payment		Workers' salary is paid 5 days after payroll expiration date. GMIES considers this a very long period for workers, due to their low incomes.			GMIES corroborated this situation throughout the payrolls.	Employees are paid every other Friday, which allows time for payroll to be figured the previous 2 weeks.		as set pay schedules to be paid every 2 week	s. Pay files review Cor	mpleted January 4, 2007 Check pay files.	Pay files review Completed	COMPLETED: Payments have been made in timely manner.	Records review.		
False Payroll Records	Employers will not use hidden or multiple payroll records in order to hide overtime, falsely demonstrate hourly wages, or for any other fraudulent reason.	The factory maintains double payrolls.			Situation verified through payroll review and worker interviews. When GMIES verified worker payrolls, we noticed there were some employees not listed on official payment record. When we asked for an explanation from HR management, she showed another payroll, which did not show any social security or pension plan deduction. Coincidentally. it was the list of persons hired as apprentices. When GMIES verified worker payroll, we noticed that employees do not receive any bonuses or incentives when they reach their daily goals. However, during interviews workers stated that factory gives them bonuses every tim they reach their daily goals.							COMPLETED: At the present time, there is no evidence of o payroll.	ouble		
Record Maintenance	reports will be available complete, accurate and up- to date. (In United States terms, this would include W-4s, I-9s, green cards, 941s and supporting material.)	On worker files there is not an accurate date describing the day employees initiated their labor at factory, because both apprentice and definitive labor contracts were initiated in January 2005, along with the job applications the factory has. Also, workers' files only contain a photocopy of local ID and the employees' picture.			GMIES corroborated this situation through reviewing the workers' files.							COMPLETED: Personnel files and contracts are in proper o	rder. Records review.		
Accurate Benefit CompensationLabor Code Article 25 "establishes that contracts regarding labor that, due to its nature, is permanent in factory should be considered for an indefinite period, althou in them is established a termination date. also affects Labor Code Article 198, whic says that the minimum quantity that should paid to workers as an allowance for year- bonus will be: 1) workers with a year or mo or less than 3 years of service, the equivat to 10 days salary, 2) workers with 3 years more or less than 10 years of service, equivalent to 15 days salary, and 3) worke with 10 years or more of service, equivalent to 18 days salary.	for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled. I be end ore lent s or	Factory has a policy establishing that their employees will sign a new labor contract each year; consequently, their severance payment will be paid annually, although workers continue working at factory. This severance payment is not accurate, because factory is only paying them 70% of total amount that corresponds to workers.			GMIES corroborated this situation through reviewing the workers' files.	Discussed vacation and bonus pay with factory management.	been going by Vacation schedule and *Total Vac paying vacation *Bonus: 1	payroll file for employee vacation and bonus p pay after 1 year: cation Pay: 15 days x rate of pay per day x 13 -3 years of service = 10 days pay, 3-10 years 15 days pay; 10+ years of service = 18 days	3% s of	mpleted January 4, 2007	Checked employees bonus and vacation pay files.	PENDING: Factory continues paying 70% of severance. Per reviewed goes from November 2009 to June 2010.	iod Payroll and records revie	ew. For severance payment, factory management will pay in accordance local labor law. Factory will commit to pay employees 100% when t been fired. [Employee name], HR Manager, responsible. MJ Soffe recommendation is that if any workers fired from November 2009 2010, factory will try to locate those workers to pay the remaining 3	hey have estimated completion 's August 30, 2011 to June
Other Code of Labor Article 29, 6° letter b): clai that employers must provide workers with paid working days per month, at a maximu for them to attend to familiar issues relate emergencies (such as death or illness of relatives). 9. Hours of Work	2 m,											NEW FINDING: Factory does not provide the 2 paid working month that labor law requires for workers to attend to familiar (Code of Labor, Article 29, 6° literal b)). Factory only lets wor of facilities for a maximum of 2 hours; if employees exceed t factory deducts working day from the salary following. Despit was not possible to identify any specific case of salary deduc this reason, management recognized that it is a factory pract all workers were also aware of such practice.	issues and workers. kers out his limit, e this, it ction. For	ent Management will review the factory's policy. Procedures will be communicated to workers on fulfilling family obligations mentioned 29 6 a) and b), to avoid any confusion to workers. [Employee name Manager, responsible.	
9. Hours of Work Except in extraordinary business circumstances, employees will (i) not be req week and 12 hours overtime or (b) the limits on regular and overtime hours al the laws of such country will not limit the hours of work, the regular work week entitled to at least one day off in every seven day period.	owed by the law of the country of manufacture or, where														
Forced Overtime	Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime.		orkers interviewed said that they feel pressured to k overtime.	0	GMIES corroborated this situation throughout interviews with the workers.							COMPLETED: No employee complaints of forced overtime.	Interviews with workers.		
Positive Incentives	Positive incentives will be utilized and known by the workers.	rea paic extr	me workers interviewed said that whenever they ch their goals, they receive bonuses that are bett d than the extra hours. However, in these cases, ra hours are not paid. This means that workers eive either bonuses or overtime payment, but not h.	er the	GMIES corroborated this situation throughout interviews with the workers.			day; \$0.63 per hour; \$1.26 Overtime. Deduct curity = 3%, Provisions. Present and ongoing.		vroll files Completed	January 4, 2007 checked files.	COMPLETED: Workers receive the relevant payments of ov and bonuses.	vertime Payroll and records revie	<u></u>	
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				IEM Findin	gs			Remediation			[Status]	Updates	[Status]	Third-Party Verification	Remediation [Status]
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	Evidence of If Not Noncompliance Corroborated (Uncorroborated) Explain Why	Corroborating	PC Remediation Plan	Target Completion Date	Company Follow Up	Documentation	Completed, Pending, Ongoing	Company Follow Up Documentation	Completed, Pending, Ongoing	External Verification (August 24-26, 2010)	DocumentationCompany Remediation PlanTarget Completion DateCompleted, Pending, Ongoing
Overtime Limitations		······································				GMIES corroborated this situation throughout the payrolls.								PENDING: Found that 6 packaging department workers performed around 60 and 63 hours per week, in the period between May 17 - 30 2010.	Payroll and records review. Factory management to define/enhance or create Hours of Work policy and July 30, 2011
Reduced Mandated OT		voluntary overtime system to meet unforeseen situations.	GMIES found out that, Saturday's shift usually is extended until 4:00pm. Also, 2 workers interviewed stated that they are not allowed to leave factory until they reach their daily goal, which usually is around 6:30 to 7:00pm. One worker interviewed said that some employees start their shifts at 6:00am in order to finish their daily goal.			GMIES corroborated this situation throughout interviews with the workers.								COMPLETED: There is no evidence of forced working time on Saturdays.	Payroll and records review.
10. Overtime Compensation In addition to their compensation for	or regular hours of work, employees will be com	pensated for overtime hours at such premium rate													
as is legally required in the country regular hourly compensation rate.		uch laws will not exist, at a rate at least equal to their													
OT Compensation		premium rates for overtime compensation.	Some workers interviewed said that whenever they reach their goals and receive bonuses, the extra hours are not paid. This means that workers receive either bonuses or overtime payment, but not both.			GMIES corroborated this situation throughout interviews with the workers.	Discussed with management about the pay policy.		January 4, 2007 Note: According to Labor Code Art. 126 Literal A: The employee can be hired by Time Unit and Literal C: Mixed System. By Time Units: Wage is adjusted to time units, without any special consideration to job result. Daily Wage: \$5.04, normal hour wage: \$0.60.	Review pay files for employees	Completed	Employee pay files.	Completed	COMPLETED: Workers receive the relevant payments of overtime and bonuses.	Payroll and records review.