<table>
<thead>
<tr>
<th>Document</th>
<th>Page</th>
<th>A4</th>
<th>A5</th>
<th>A6</th>
<th>B4</th>
<th>B5</th>
<th>B6</th>
<th>A3</th>
<th>Raw Text</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Remediation Plan Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Remediation Plan

**Employees have to sign a new agreement**

According to the Salvadoran Labor Law, employees must sign a new agreement. This agreement requires employees to consent to the implementation of various remediation plans. The plan includes the following actions:

- **Wages and Benefits:** Ensuring compliance with national and local collective agreements and removing any unreasonable deductions for services provided to employees. This includes reviewing payroll records to ensure accurate deductions and maintaining proper record-keeping.

- **Employer Interference/Formation:** The employer will not interfere with employees’ right to form a union. This includes ensuring that union representatives can access the workplace, participate in meetings, and negotiate collective agreements. There will be no management interference with workers organizing or affiliating with unions.

- **Directorship and Trade Unions:** The management will not use any influence over directors or trade union representatives to influence their decisions or actions. This involves ensuring that union representatives have the freedom to communicate with workers and that management does not discriminate against unionized workers.

- **Facility Maintenance:** The factory must maintain proper sanitation and hygiene, including clean restrooms, proper ventilation, and safe electrical systems. This includes replacing broken fans and ensuring that doors and windows are maintained.

### Remediation Plan Details

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll review</td>
<td>June 30, 2011</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Observations</td>
<td>August 30, 2011</td>
<td>Completed</td>
</tr>
<tr>
<td>External verification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal verification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Records review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interviews with employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interviews with management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interviews with trade unions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Observations

- **Observation:** The factory management is required to implement certain changes to address non-compliance issues. These changes include:
  - **Payroll Review:** Reviewing employee pay files to ensure accuracy and compliance with labor laws.
  - **Observations:** Conducting observation tours to inspect the factory conditions.
  - **Records:** Reviewing employee files and records to ensure proper documentation.
  - **Interviews:** Conducting interviews with employees to gather information about their experiences.

### Remediation Plan

**Employee pay files and records review.**

- **Goals:** Ensuring accurate payroll records and compliance with labor laws.
- **Completed:** Review of pay files and records as of August 30, 2011.

**Observation tour and documentation of findings.**

- **Goals:** Identifying areas of non-compliance and documenting findings.
- **Completed:** Observation tour and documentation as of August 30, 2011.

**Payroll review.**

- **Goals:** Ensuring accurate payroll records and compliance with labor laws.
- **Completed:** Review of pay files and records as of August 30, 2011.

**Records review.**

- **Goals:** Reviewing employee files and records for accuracy.
- **Completed:** Review of records as of August 30, 2011.

**Interviews with employees.**

- **Goals:** Gathering employee feedback on working conditions.
- **Completed:** Interviews completed as of August 30, 2011.

**Interviews with management.**

- **Goals:** Understanding management’s perspective on factory conditions.
- **Completed:** Interviews with management as of August 30, 2011.

**Interviews with trade unions.**

- **Goals:** Gathering information on union activities and worker rights.
- **Completed:** Interviews with trade unions as of August 30, 2011.

### Remediation Plan

**Payroll review.**

- **Goals:** Reviewing employee pay files for accuracy.
- **Completed:** Review of pay files as of August 30, 2011.

**Observations.**

- **Goals:** Identifying areas of non-compliance.
- **Completed:** Observations as of August 30, 2011.

**External verification.**

- **Goals:** Confirming findings through external verification.
- **Completed:** External verification as of August 30, 2011.

**Third-party verification updates.**

- **Goals:** Updating remediation plans based on verification findings.
- **Completed:** Updates as of August 30, 2011.

**Remediation planning update.**

- **Goals:** Updating remediation plans to address non-compliance issues.
- **Completed:** Updates as of August 30, 2011.

### Remediation Plan

**Employee file and records review.**

- **Goals:** Reviewing employee files for accuracy.
- **Completed:** Review of employee files as of August 30, 2011.

**Interviews with employees.**

- **Goals:** Gathering employee feedback on working conditions.
- **Completed:** Interviews completed as of August 30, 2011.

**Interviews with management.**

- **Goals:** Understanding management’s perspective on factory conditions.
- **Completed:** Interviews with management as of August 30, 2011.

**Interviews with trade unions.**

- **Goals:** Gathering information on union activities and worker rights.
- **Completed:** Interviews with trade unions as of August 30, 2011.

### Remediation Plan

**Payroll review and documentation of findings.**

- **Goals:** Ensuring accurate payroll records and compliance with labor laws.
- **Completed:** Review of pay files and documentation as of August 30, 2011.

**Records review.**

- **Goals:** Reviewing employee files and records for accuracy.
- **Completed:** Review of records as of August 30, 2011.

**Interviews with employees.**

- **Goals:** Gathering employee feedback on working conditions.
- **Completed:** Interviews completed as of August 30, 2011.

**Interviews with management.**

- **Goals:** Understanding management’s perspective on factory conditions.
- **Completed:** Interviews with management as of August 30, 2011.

**Interviews with trade unions.**

- **Goals:** Gathering information on union activities and worker rights.
- **Completed:** Interviews with trade unions as of August 30, 2011.

### Remediation Plan

**Payroll review and documentation of findings.**

- **Goals:** Ensuring accurate payroll records and compliance with labor laws.
- **Completed:** Review of pay files and documentation as of August 30, 2011.

**Records review.**

- **Goals:** Reviewing employee files and records for accuracy.
- **Completed:** Review of records as of August 30, 2011.

**Interviews with employees.**

- **Goals:** Gathering employee feedback on working conditions.
- **Completed:** Interviews completed as of August 30, 2011.

**Interviews with management.**

- **Goals:** Understanding management’s perspective on factory conditions.
- **Completed:** Interviews with management as of August 30, 2011.

**Interviews with trade unions.**

- **Goals:** Gathering information on union activities and worker rights.
- **Completed:** Interviews with trade unions as of August 30, 2011.
<table>
<thead>
<tr>
<th>Source</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' Social Security</td>
<td>Provided and paid every day.</td>
</tr>
<tr>
<td>Workers' Pension Plan</td>
<td>Provided and paid every month.</td>
</tr>
<tr>
<td>Workers' Salary</td>
<td>Provided and paid every week.</td>
</tr>
<tr>
<td>Workers' Vacation</td>
<td>Provided and paid every year.</td>
</tr>
<tr>
<td>Workers' Health Insurance</td>
<td>Provided and paid every quarter.</td>
</tr>
</tbody>
</table>

**Employee Benefits:**

- **Workers' Social Security:** Provided and paid every day.
- **Workers' Pension Plan:** Provided and paid every month.
- **Workers' Salary:** Provided and paid every week.
- **Workers' Vacation:** Provided and paid every year.
- **Workers' Health Insurance:** Provided and paid every quarter.

**Management:***

- **Employee Benefits:** Provided and paid every day, week, month, and year.
- **Workers' Social Security:** Provided and paid every day.
- **Workers' Pension Plan:** Provided and paid every month.
- **Workers' Salary:** Provided and paid every week.
- **Workers' Vacation:** Provided and paid every year.
- **Workers' Health Insurance:** Provided and paid every quarter.

**Companies:**

- **Employee Benefits:** Provided and paid every day, week, month, and year.
- **Workers' Social Security:** Provided and paid every day.
- **Workers' Pension Plan:** Provided and paid every month.
- **Workers' Salary:** Provided and paid every week.
- **Workers' Vacation:** Provided and paid every year.
- **Workers' Health Insurance:** Provided and paid every quarter.

**Interviews:**

- **Employee Benefits:** Provided and paid every day, week, month, and year.
- **Workers' Social Security:** Provided and paid every day.
- **Workers' Pension Plan:** Provided and paid every month.
- **Workers' Salary:** Provided and paid every week.
- **Workers' Vacation:** Provided and paid every year.
- **Workers' Health Insurance:** Provided and paid every quarter.

**Reports:**

- **Employee Benefits:** Provided and paid every day, week, month, and year.
- **Workers' Social Security:** Provided and paid every day.
- **Workers' Pension Plan:** Provided and paid every month.
- **Workers' Salary:** Provided and paid every week.
- **Workers' Vacation:** Provided and paid every year.
- **Workers' Health Insurance:** Provided and paid every quarter.

**Documentation:**

- **Employee Benefits:** Provided and paid every day, week, month, and year.
- **Workers' Social Security:** Provided and paid every day.
- **Workers' Pension Plan:** Provided and paid every month.
- **Workers' Salary:** Provided and paid every week.
- **Workers' Vacation:** Provided and paid every year.
- **Workers' Health Insurance:** Provided and paid every quarter.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Noncompliance</th>
<th>Risk of Noncompliance</th>
<th>Evidence of Noncompliance</th>
<th>If Not Corroborated, Explain Why</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLA Code/Compliance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FLA Code/Compliance**

**Evidence of Noncompliance**

**Sources/Documentation Used for Corroborating PC Remediation Plan**

**Target Completion Date**

**Overtime Limitations**

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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.

In the period October 3 - 16, there were 3 people who worked more than 60 hours.

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 procedures that: a) outline regular hours of work expected (employees shall not be required to work more than the lesser of 48 hours per week and 12 hours overtime, or the limits on regular and overtime hours allowed by the law of the country of manufacture); b) outlines when overtime will come into effect; c) outlines what constitutes extraordinary business circumstances and ensures that all overtime is performed voluntarily. Management shall create procedures that: a) describe how workers will be communicated to on their hours of work; b) how factory will ensure management on hours of work; c) [Employee name], HR Manager, is responsible or accountable for assuring that no worker exceeds the limits on regular and overtime hours as allowed by law.

July 30, 2011

Reduced Mandated OT

The employer will demonstrate a commitment to reduce mandated overtime and to enact a 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.

OT Compensation

The factory shall comply with applicable law for 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.

Now 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.

OT 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.