### FLA Principle of Monitoring, Obligation of Companies:

#### Findings

**1. Code Awareness**

Monitor's Findings: Please state if finding is a non-compliance or indicator of non-compliance.

<table>
<thead>
<tr>
<th>FLA Code/ Compliance Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
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<tbody>
<tr>
<td>Awareness of Code</td>
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**2. Forced Labor**

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**3. Child Labor**

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**4. Harassment or Abuse**

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**5. Nondiscrimination**

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**Findings**

**1. Code Awareness**

- The factory has a plan to implement the Code of Conduct. The plan includes strategies and regular audits to ensure compliance of the factory workers. The company has not implemented by timelines of the use of discrimination verbal language. The new strategy was shared with employees through an external firm.

- The factory has a non-discrimination policy in place. The policy includes a clause banning all forms of harassment or abuse. It ensures that employees are trained in the policy and a process is in place for employees to report any harassment or abuse that is observed. The policy also includes a process for employees to escalate any concerns directly to the FLA team.

**2. Forced Labor**

- The factory has not been involved in any case of forced labor such as prison labor, indentured labor, bonded labor or otherwise.

**3. Child Labor**

- There are no reports of children working at the factory. The factory does not allow the employment of children younger than 15 years (or 14 where the law of the country of manufacture allows) or younger than the age of completion of basic education.

**4. Harassment or Abuse**

- The factory has a plan to implement the Code of Conduct. The plan includes strategies and regular audits to ensure compliance of the factory workers. The company has not implemented by timelines of the use of discrimination verbal language. The new strategy was shared with employees through an external firm.

**5. Nondiscrimination**

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**Follow-up**

- The factory is working on updating its salary procedure to ensure that it is not an arbitrary act. The factory has not had a written salary procedure in which it is stated that this is not an arbitrary act.

**Documentation**

- The factory has documented its efforts to implement the Code of Conduct and review of non-compliance.

**Best Practice**

- The factory has documented its efforts to implement the Code of Conduct and review of non-compliance.

**Remediation**

- The factory has a plan to implement the Code of Conduct. The plan includes strategies and regular audits to ensure compliance of the factory workers. The company has not implemented by timelines of the use of discrimination verbal language. The new strategy was shared with employees through an external firm.

**T.P.S.**

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Employers will ensure that pregnant women are not engaged in work that creates substantial risk to their reproductive health.

Managerial Decision:
- Employers will ensure that pregnant women are not engaged in work that creates substantial risk to their reproductive health.

Reproductive Health

Employers will ensure that pregnant women are not engaged in work that creates substantial risk to their reproductive health.

FGP

There are no measures to ensure that pregnant women are neither engaged in work that creates substantial risk to their reproductive health.

5-23-05 - Job vacancy and health and safety

7. Freedom of Association and Collective Bargaining

Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or during the course of work.

6. Health and Safety

Health and Safety

Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or during the course of work.

Pregnancy Risk

Pregnant women do not work at the cleaning department due to the chemicals used in the process, although women can work for this department.

Reproductive Health

No

Employers will ensure that pregnant women are not engaged in work that creates substantial risk to their reproductive health.

Pregnancy Risk

Although is not established by the law, the factory protects pregnant workers by shifting them from their workplaces that might be dangerous for their health during pregnancy. This situation occurs if the safety, not a obligatory, and it is only temporary.

5-23-05 - Job vacancy and health and safety

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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 members of unions are not hired by the company. The only way to corroborate this situation was throughout the interviews. There is not a union into the factory and when we interviewed the workers about this matter, most of the people said that the management did not talk about the issue. We also told that they have two working 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 job and no consideration for hiring, firing, or discipline is given on the basis of membership in a labor organization. Workers may not be hired on member of a collective bargaining unit.

Hiring decisions will not be made on the basis of race, creed, color, national origin, sex, age, or any other legally protected characteristic.

Freedom of Association

Employers will communicate orally and in writing to all employees in the language of the worker the wage, incentive systems, benefits, and bonuses to which all workers are entitled in that company and under the applicable law.

Not all workers are aware of how to calculate their work that is done during overtime. This was a finding 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.

Wage Benefits Awareness

Employers will pay employees, as a base, at least the wage rates that are required by law. In addition, employers will provide the wages, benefits, and bonuses to which employees are entitled in that company, under the applicable law, and will notify employees of their rights and responsibilities under the applicable law. Employers will also provide information regarding the wages, benefits, and bonuses to which employees are entitled in that company and under the applicable law.

Payment of Legal Benefits

Legally mandated benefits will be provided or paid in full within legally defined time periods.
Article 25 of the Labor Code:
The Labor Code establishes, on employers' part, the obligation to ensure reasonable meal and rest breaks, which, at a minimum, must comply with local laws and standard industry practices in the area. Overtime should be paid at a premium rate as is established by the law. The minimum wage for any form of employment is $0.96 per extra hour. Additional overtime should be paid double, which is $1.92 per extra hour, and, according to law, the wage for any day in the morning and one in the afternoon, for workers that are working overtime because of the factory, is paid at a rate of $1.92 per extra hour.

Article 169 of the Labor Code establishes a termination date. The worker's file contains a plan that follows the agreed-upon procedures for hiring, training, and consultation with the Employees by vote by all industry stakeholders to understand further the local labor contracts every year and at the same time, the human resources department sends to the Ministry of Labor, as it is mandated by the law. The factory has made copies of all labor contracts to MOL (this could include a new hire checklist). Provide training to all human resources staff in procedures for hiring. All employees' files contain a clear determination of their contributions to the Ministry of Labor, as it is mandated by the law.