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**Findings**

- Findings not corroborated, explanation of non-corroboration.
- Findings guaranteed that factory was not conducting pregnancy testing.

**Documentation**

- FLA Code/Compliance Issue and FLA Principles, Obligation of T.P.S.
- FLA Principle of Monitoring, Obligation of T.P.S.
Ley de Equiparación de Oportunidades para Payroll training for all active employees

Updated Non-Discrimination policy

Job vacancies and hiring plans will be legally mandated benefits will be provided or paid in

Labor Ministry has examined ventilation

Factory still waiting for El Salvadorian

Employers will communicate orally and in writing to all

Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the

8. Wages and Benefits

Employers will recognize and respect the right of employees to freedom of association and collective bargaining.

7. Freedom of Association and Collective Bargaining

Legal Compliance

Fire 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

6. Health and Safety

Other

Manager, the people who work in that area will be relocated to

Although ventilation system into most parts of factory is
devolving screen printing activities; due to lack of evidence,

2005. It is noted that there is a significant backlog of work at

Environmental Ministry stated in letter (MARN-DAL-722-

Factory neither has required permit to develop screen printing

Wages and Benefits

Legal mandates indicate that every private employer has

Opportunities for Disabled Persons. In Article 24

situation and they stated that, although factory has carried out

due to amount of workers in factory (1,058), there should

be 43 disabled workers. GMIES spoke to factory about this

law, due to amount of workers in company (1,058), there should

have at least 43 handicapped workers. Factory stated that

GMIES visited factory to verify if they had hired any disabled

person, they stated that they never hired any disabled worker.

According to information provided by Safety and Hygiene

Manager, the people who work in that area will be relocated to

Adequate, ventilation at storage area is not adequate.

Workers’ Committees.

Not all workers are aware of how to calculate the work that is

management about this issue, they said that they have 2

people said that factory does not talk about unions. When we

interviewed workers about this subject, most

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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 198 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 salary.”

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 continue building seniority, and lost benefits from factory who, in turn, do not develop security. 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.

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 the 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).

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.

Miscellaneous

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. 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 of at least equal to their regular hourly compensation rate.

9. Hours of Work

10. Overtime Compensation