Due to a 2010 IEV (Independent External Verification) at this factory, all updates after 2009 can be found on the IEV report [here](#).

For an explanation on how to read this report, please visit the FLA website [here](#).
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Wages, Benefits and Overtime Compensation: General Compliance

Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

Noncompliance

Explanation: Through payroll analysis and worker interviews, monitor found that deductions from pay exceeded the legal 30% limitation of the salary for contributions to the Fondo de Ahorro, Caja de Ahorro, etc. (Federal Labor Code, Article 110)

Plan Of Action: The Applicable Supplier has identified the causes of this issue:

1. Savings plan administration: Employees are allowed to voluntarily withhold an unlimited amount of savings from their salaries. New rules will be implemented to cap the amount of savings that can be withheld from an employee's salary. The target date to change the savings plan rules is January 1, 2010.

2. Car Insurance benefit: Employees are allowed to voluntarily withhold an unlimited amount of car insurance premiums from their salaries. New rules will be implemented to cap the amount of car insurance premiums that can be withheld from an employee's salary. The target date to change the car insurance rules is May 31, 2010.

3. Employees credit union: "Caja de Ahorro" Employees are allowed to take out loans from the credit union and have their loan payments deducted from their salaries. New rules will be implemented so that before granting a loan the credit union must review the employee's deductions and limit the amount of loan payment deductions so that loan payments do not exceed the legal limit. The target date to change the loan payment rules is January 30, 2010.

Deadline Date: 05/31/2010

Action Taken:

Plan Complete:
Wages, Benefits and Overtime Compensation: Wage Receipt
WBOT.27 All payments of wages and benefits in cash and in-kind made directly to the worker must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (signature, thumbprint, etc.). No one can receive wages on behalf of a worker, unless the worker concerned has, in full freedom, authorized in writing for another person to do so. (P)

Noncompliance

Explanation: Monitor's review of payroll system and pay receipts revealed that workers do not sign the pay stubs to evidence receipt of salary. (Federal Labor Code, article 132-VII)

Plan Of Action: No action is required, as the Mexican Federal Labor Code does not require employees to sign a receipt. However, the applicable supplier provides each employee with a pay stub/receipt each payday.

Deadline Date:

Action Taken:

Plan Complete:
Freedom of Association: Employer Interference/Constitution, Elections, Administration, Activities and Programs

FOA.5 Employers shall not interfere with the right of workers to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. (S)

Noncompliance

Explanation: During the audit it was observed that as a part of the hiring process the workers are required by the factory to affiliate with and join the union. Local law provides that workers shall have a choice of joining or not at the time of hire. (Federal Labor Code, Art. 358)

Plan Of Action: The Federal Law of Labor does require that the applicable supplier cannot force any worker to join the union, but it also establishes that the union that has the contract can require that only workers affiliated with their union can join the applicable supplier. Every worker voluntarily signs an application to join the union when they are hired. The union employees are not forced to belong to this union; however, all persons that want to work for the applicable supplier need to be a member of this union according to the Federal Law of Labor Article 395.

The process is that if a candidate accepts employment and signs a labor contract with the applicable supplier, a representative from the union asks the employee to voluntarily sign the union affiliation form which demonstrates that the candidate has joined the union. If the employee does not sign the form, then the employee must be removed from the applicable supplier according to Article 395 of the Federal Labor Law. The HR staff of the applicable supplier does not ask the worker to affiliate with the union; that task falls to a union representative.

Deadline Date: 03/31/2010

Action Taken:

Plan Complete:

Plan Complete Date:
**Code Awareness:**
GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

**Noncompliance**

**Explanation:** The monitor did not find any posting of the Electronic Arts (EA) Code of Conduct or the Fair Labor Association’s Code of Conduct.

**Plan Of Action:** The applicable supplier will post the Electronic Arts Labor Standards for Product Suppliers by December 5, 2009.

**Deadline Date:** 12/05/2009

**Action Taken:**

**Plan Complete Date:**

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**Code Awareness:**

GEN.2 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.

**Noncompliance**

**Explanation:** The monitor did not find evidence that the factory trains workers on the Electronic Arts or FLA Codes of Conduct at any point from hiring or throughout the longevity of the workers.

**Plan Of Action:** The applicable supplier will post the Electronic Arts Labor Standards for Product Suppliers. It will train employees by providing copies of the Electronic Arts Labor Standards and will provide an explanation of the Labor Standards. This training will be provided by the supervisors/managers of each area. The training will be completed by the end of 2009.

**Deadline Date:** 12/31/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**
Code Awareness:
GEN.3 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.

Noncompliance

Explanation: The monitor did not find evidence of a confidential communication channel for use by workers to report noncompliance to the Code to EA.

Plan Of Action: The applicable supplier promotes open communications by employees. Employees are encouraged to report any noncompliance to HR or their immediate supervisor. The Applicable Supplier will add the following language to Electronic Arts' Labor Standards: "Notice to Employees of EA’s Product Suppliers: If you believe there has been a violation of Electronic Arts' Labor Standards, you may confidentially report it to EA. Please direct your report in writing to Electronic Arts Inc. and include all relevant details regarding the suspected violation. If you have concerns about contacting EA directly, you may contact the Fair Labor Association."

Deadline Date: 03/31/2010

Action Taken:

Plan Complete:

Plan Complete Date:
Health and Safety: General Compliance

Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

Noncompliance

Explanation: 1. Fire extinguishers were directly installed on the floor as opposed to the being affixed to walls/support structures, as required.

2. The monitor observed that compressed gas tanks with argon were not secured to any structure to prevent accidental tipping/falling.

3. It was noted that 1 eyewash station was not functioning properly. (Reglamento Federal de Seguridad, Higiene y Medio Ambiente en el Trabajo. Article 45)

4. The fire extinguishers installed outside the factory were not protected from the weather. (NOM-002-STPS-2000 9.2.3 .d)

Plan Of Action:

1. The extinguisher found on the floor is part of an inventory of 15 extinguishers used for temporary contractor work in the building. It is not a legal requirement for these extinguishers to be affixed to a wall or supported in any other way. However, a tracking system is now implemented to control this spare equipment.

2. A review of all tanks was conducted and any unsecured tanks were secured at the moment of the audit. A revision to the process now includes replication and the safety committee will conduct monthly inspections to ensure all tanks are secured.

3. The non-functioning eyewash station was repaired. The preventive maintenance program was revised to assure that the time between services is no more than 1 week. The safety committee will specifically include eyewash stations in the monthly inspections.

4. This is not a legal requirement; however, providing covers will be adopted as a best practice. Covers have been ordered and will deliver by the end of the month.

Deadline Date: 10/30/2009

Action Taken:

1. Done on September 15, 2009.

2. Done on September 30, 2009.

Health and Safety: Evacuation Requirements and Procedure
H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: 1. Monitor inspection of the factory found an emergency exit installed and located in 1 area of the factory that was obstructed. This limits the ability of workers to safely evacuate in the event of an emergency. A forklift was being repaired and was parked directly in front of an emergency exit.

2. It was observed by the monitor that there were three powered forklifts lacking fire extinguishers.

Plan Of Action: 1. All emergency exits were audited together to verify that each exit is alarmed and working. The officers will report any blocked exits in their daily rounds, and blockages will be immediately remedied. Equipment will not be repaired in any area that would block emergency exits.

2. Extinguishers were installed as required.

Deadline Date: 09/30/2009

Action Taken: 1. Done on September 30, 2009.

2. Done on September 30, 2009.
Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal 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 health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: Some workers were not using hearing protection (e.g. earplugs) and eye protection in areas where they are mandatory.

Plan Of Action: The supervisors will enforce the regulation to properly use all required personal protection equipment. The audit group will include this issue in process audits.

Deadline Date: 09/30/2009

Action Taken: Done on September 30, 2009.

Plan Complete:
Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation: There is no MSDS available in some of the working areas. The MSDS were found only in certain areas of the production floor.

Plan Of Action: The MSDS are now available in all work areas, and the medical department will review them weekly.

Deadline Date: 09/30/2009

Action Taken: Done on September 30, 2009.

Plan Complete:

Plan Complete Date:
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: It was observed electrical panels blocked in the warehouse and forklift area.

Plan Of Action: The injection molding machine thermoregulators partially blocked 1 electrical panel in 1 area of the plant. The regulation states that the panels must be "free to reach"; no distance is specified. All panels will be reviewed to assure free access.

Deadline Date: 10/01/2009

Action Taken: Done on October 1, 2009.

Plan Complete:

Plan Complete Date:
Health and Safety: Machinery Maintenance and Worker Training
H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: 1 machine installed on a production line did not have proper guarding installed.

Plan Of Action: Guarding was installed on this production line. A revision to the process audit now includes replication and the safety committee will conduct monthly inspections to ensure all guards are appropriately installed on all lines.

Deadline Date: 09/15/2009

Action Taken: Done on September 15, 2009.

Plan Complete:

Plan Complete Date:
Health and Safety: Medical Facilities

H&S.21 Medical facilities shall be established and maintained in factories as required by applicable laws. Medical staff shall be fully licensed and recognized under applicable local rules and regulations. An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under local law. An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner. (P)

Noncompliance

Explanation: It was observed that medicines in the first aid kit and in the internal medical service were expired.

Plan Of Action: An additional process has been implemented to avoid the use of an expired medicine, which requires the physician to review all medicines before the medication is given to any employee. All medical kits outside the medical department have been removed.

Deadline Date: 09/30/2009

Action Taken: Done on September 30, 2009.

Plan Complete:  

Plan Complete Date:  

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