The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings**: The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation**: The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress**: The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions
  Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory’s conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation
  The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory’s working conditions.

- A one-time event
  Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language
Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish...
the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers’ identities, we have replaced the numbers with generic wording in brackets (i.e. “[some]”, “[worker interviews revealed that]”, etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA’s efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing
The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select “legal” size paper from Print properties.
<table>
<thead>
<tr>
<th>FLA Code</th>
<th>FLA Compliance Benchmark or Legal Reference</th>
<th>Monitor's Findings</th>
<th>Best Practice</th>
<th>PC remediation plan</th>
<th>Completion Date</th>
<th>Follow-Up Documentation</th>
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</thead>
<tbody>
<tr>
<td>Code Awareness</td>
<td>FLA Obligations of Companies, F. Provide Employees with Opportunity to Report Noncompliance: 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 workplace standards, with security that they shall not be punished or prejudiced for doing so.</td>
<td>Employees don't know exactly the system used for communicating complaints.</td>
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<tr>
<td>Child Labor</td>
<td>Factory doesn't have a policy for harassment or abuse. They don't have written work rules developed either.</td>
<td>Factory should either include a Harassment &amp; Abuse section in their internal policies or post this section of the law for worker's to view. Factory should also conduct supervisor training and ensure that abusive supervisors are disciplined. As of 8/12/02, the factory has established an anti-harassment and abuse policy. This was verified by LS&amp;CO. assessors via documentation review.</td>
<td></td>
<td></td>
<td>June 17th</td>
<td>PC's will ensure that postings of the new policies. PC's will keep a copy of the revised policy in their internal files.</td>
</tr>
<tr>
<td>Forced Labor</td>
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<td></td>
</tr>
<tr>
<td>Harassment or Abuse</td>
<td>Noncompliance reporting channel</td>
<td></td>
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</tr>
<tr>
<td>Health and Safety</td>
<td>Facility doesn't have a Health &amp; Safety Policy.</td>
<td>THIS POLICY HAS BEEN ELABORATED, w/ final approval from Chairman. This policy was reviewed by LS&amp;CO. assessors on 8/12/02.</td>
<td></td>
<td></td>
<td>June 17th</td>
<td>PC's will obtain copies for their internal files.</td>
</tr>
<tr>
<td>Nondiscrimination</td>
<td>FLA Code Benchmark V. Health and Safety: 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 different from the local language.</td>
<td>During the documents review we noted that Health and Safety inspections records were not updated. To be in compliance with Mexican Health &amp; Safety Regulations, please ensure to keep this documents updated.</td>
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<tr>
<td>Health and Safety</td>
<td>Health and Safety Norms FLA Benchmark V. Health and Safety: 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.</td>
<td>Health and Safety Norms kept in Facility are not updated. ALL THE OFFICIAL NORMS REFERENT TO HEALTH AND SAFETY ARE UPDATED. LS&amp;CO. assessors verified via visual observation on 8/12/02 that the facility maintains updated Health and Safety norms onsite.</td>
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<tr>
<td>Poor Record-Keeping</td>
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<tr>
<td>Up-Date H&amp;S Analysis</td>
<td>In accordance with Mexican Health &amp; Safety Regulations Article 101. Employer must to perform Risk Analysis in order to decide what is the appropriate personal protective equipment in each work area. FLA Code Benchmark V. Health and Safety: Workers shall wear appropriate protective equipment (such as gloves, respirators, eye 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.</td>
<td>During the documents review, we noted that risk analysis is incomplete. To be in compliance with Mexican Health &amp; Safety Regulations Article 101, please keep this documentation complete and updated.</td>
<td>THE RISK ANALYSIS IS COMPLETED WITH THE APPROPRIATE PERSONAL PROTECTIVE EQUIPMENT. On 8/12/02 PC observed factory employees utilizing personal protective equipment.</td>
<td></td>
<td>June 17th</td>
<td>PC's will obtain copies of risk analysis for their internal files.</td>
</tr>
<tr>
<td>Health and Safety Norms</td>
<td>FLA Benchmark V. Health and Safety: Employer must to perform a Risk Analysis in order to decide what is the appropriate personal protective equipment in each work area. FLA Code Benchmark V. Health and Safety: Workers shall wear appropriate protective equipment (such as gloves, respirators, eye 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.</td>
<td>Health and Safety Norms kept in Facility are not updated. ALL THE OFFICIAL NORMS REFERENT TO HEALTH AND SAFETY ARE UPDATED. LS&amp;CO. assessors verified via visual observation on 8/12/02 that the facility maintains updated Health and Safety norms onsite.</td>
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</tbody>
</table>
First Aid Kits

In accordance with the Mexican Labor Law, Article 132, paragraph XVII, the employer must provide the adequate first aid kits. FLA Code Benchmark V. Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

We have noted during the factory tour that and employee interviews that First aid kits are incomplete including one placed in Medical service.To be in compliance with Mexican Labor Law, Article 132, paragraph XVII, please ensure to keep them complete at all times.

ALL FIRST AID KITS ARE COMPLETED. NURSES ARE IN CHARGE THAT KITS MUST BE COMPLETED at ALL TIME. LS&CO. assessors verified via visual observation that fire extinguishers were adequately stocked on 8/12/02. This was confirmed by PC again in January 2002.

June 17th

Fire Drills

In accordance with the Health and Safety Regulations, Chapter II, Article 28, paragraph XL, the drills should be conducted at least once a year. FLA Code Benchmark V. Health and Safety: 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.

We have noted that the management does not encourage the practice of fire drills since March 2001. To be in compliance with the law, please ensure to perform at least one fire drill per year.

The factory will conduct fire drills at least once a year to comply to local law. LS&CO. assessors verified that a fire drill was conducted on June 24 via review of photographs.

The last fire drill was conducted on June 24.

Toilet Sanitation

In accordance with Mexican Health and Safety regulation, Chapter XI, Article 103, employer is obligated to provide hygiene water systems, bathrooms, lavatories, shower etc, depending on the employees number. FLA Code Benchmark V. Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.

During employee interviews, some employees told us that bathrooms are not clean at all times. We also noted that in Plant 1 (washing machines area) one shower and one eye washer were out of order. To be in compliance with Mexican Health & Safety Regulations Chapter X or Article 103, please keep bathrooms clean and, with light at all times, also keep showers and eye washers in good conditions.

The factory will improve the conditions in the washrooms. LS&CO. assessors verified that factory had improved conditions in the washrooms via visual observation on 8/12/02. Washrooms were inspected by LCI in January 2003 and found to be satisfactory.

June 17th

Ergonomic Mats/Uniforms

In accordance with Health and Safety Regulation, Article 101, the employer should provide personal protective equipment to the employees and must perform an analysis to determine what kind of risk are the employees exposed. FLA Code Benchmark V. Health and Safety: 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.

During the factory tour we noted that employees in inspection areas don’t have ergonomic mats, and during the employee interviews, employees told us that they need new uniforms. To be in compliance with Health and Safety Regulations, Article 101, please provide all personal protective equipment to employees.

Ergonomic Mats and Uniforms should be provided to workers. LS&CO. assessors verified via visual observation on 8/12/02 that mats and uniforms are provided to workers. LCI confirmed that workers have uniforms and mats are used during the January 2003 visit.

June 17th

Fire Safety Training

In accordance with the Health and Safety Norm NOM-002-STPS-2000, point 5.2 and 5.8, the employer is responsible to inform all the employees the risks of fire and train them in the fire fight and prevention. FLA Code Benchmark V. Health and Safety: 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.

During the employee’s interviews it was noted that the employees had not been informed and trained of the measures to prevent and fight fires. To be in compliance with NOM-002-STPS, please make sure to instruct the employees on the measures to prevent and fight fire.

A fire training program which included information on how to prevent fires and how to use a fire extinguisher was conducted. This was verified by LS&CO. assessors via worker interviews on 8/12/02. In partnership with the city, the factory conducted the training.

July 30th

Fire Extinguishers

In accordance with Mexican NOM 002-STPS-2000, point 11.1.2 (e) and 11.1.5, the extinguishers maintenance must indicate a reading in the operation range. FLA Code Benchmark V. Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.

During the factory tour we noted that fire extinguishers number 100 and 129 the extinguishers were discharged in production area. To be in compliance with the law, please ensure to maintain all the fire extinguishers charged at all times.

Fire extinguishers are now checked on a monthly basis. This was verified by LS&CO. assessors via visual observation on 8/12/02. Verified during LCI factory visit in January 2003, it was confirmed that fire extinguishers were in working order.

Ongoing
10. Overtime Compensation

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 point where the number of hours worked by an employee in 7 consecutive days exceeds the number of hours that would constitute a standard week of work in accordance with the applicable laws of the country for that area (a "standard weekly work period").

1. Portable extinguisher: 1 portable extinguisher is required in the warehouse. To be in compliance with NOM 002-STS-2000, please ensure to install one fire extinguisher in warehouse, also in "Avios" area there is no fire extinguisher in place marked.

2. Fire extinguishers were marked. Verified by L&S&O assessors on 8/12/02 via visual observation. PC confirmed this during the January 2003 visit.

3. Handrail installation: Handrail was installed. Verified by L&S&O on 8/12/02 via visual observation.

4. MSDS: Safety sheets are now being used on a regular basis.

5. Freedom of Association and Collective Bargaining

6. Wages and Benefits

7. Hours of Work

8. Forced OT: Facility doesn't have a written procedure to ensure overtime is voluntary. And during the employee interviews there were comments that sometimes they feel obligated by supervisor.

9. Wages and Benefits

10. Overtime Compensation
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<tr>
<td>Incorrect wage rate for OT</td>
<td>FLA Code Benchmark VII. Wages and Benefits, Hours of Work, and Overtime Compensation. The factory shall comply with applicable law for premium rates for overtime compensation. Workers shall be informed about overtime compensation rates, by oral and printed means.</td>
<td>A number of workers interviewed indicated that they did not understand OT wage calculation, and/or that OT compensation was not in compliance with Mexican labor law.</td>
<td>The factory provides a payslip when workers are paid showing the calculations of wages, overtime and deductions. Workers are allowed to review and question the accounting department.</td>
<td>PC’s will follow up by interviewing workers to ensure wage calculations are now clear.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>