

		Findings					Remediation				
FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings: Please state if finding is a noncompliance or indicator of non-compliance	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	If not corroborated, explain why. For example state if single finding was incriminating or other reason.	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation
<b>1. Code Awareness</b>											
Worker/management awareness of Code		<b>FLA Principle of Monitoring, Obligation of Companies:</b> 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.				The factory had posted Codes of Conduct and its intern regulations in visible places, such as the cafeteria walls. Also, when a new employee comes into the factory, the company gives him a training on personal relationships and explain him how the factory works. This course is called T.P.S.					
<b>2. Forced Labor</b>											
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise											
<b>3. Child Labor</b>											
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age											
<b>4. Harassment or Abuse</b>											
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal											
Verbal abuse		Employers will prohibit screaming, threatening, or demeaning verbal language	There is [information] that shows that some supervisors scream or use demeaning verbal language with the workers under their command. There is also [information] that shows that one manager uses demeaning verbal language among their workers.	Interviews			1. Factory has in place an Employee Communication Committee. This group meets on a regular basis to review issues/concerns of the factory workers. This committee has not reported any instances of the use of demeaning verbal language. That being said, the team will be asked to be more aware of this type of behavior and report back any unprofessional conduct that is observed. 2. The factory will include in the disciplinary policy a clause banning all forms of harassment or abuse. Provide supervisors with written guidelines on the disciplinary policy and procedures and in the correct application of disciplinary actions.	Feb 1 for Communication Committee discussion. February 5-12 for training. Additional training 9-1-05.		5-23-05 - Non-Harassment Policy updated and distributed April 05. Additional interpersonal relationship training for Supervision has been scheduled for August. Program to be conducted by an outside firm; ***.	Visual inspection, document review
<b>5. Nondiscrimination</b>											
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or											
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement	There are workers that are paid a higher salary than other workers that are developing the same activities and the company does not has a written salary procedure in which they based this decisions. On the other hand, the factory has stated that this is not an arbitrary act because they have standards, but they are not written.	This finding was verified by different interviews and by review of the workers' contracts.			Pay levels for all production operations are based upon the job pay grade and/or the job pay grade plus a production incentive bonus. (Bonus is paid when production levels are met/exceeded). Pay levels for indirect positions are based upon: experience, skill level, performance, growth potential, and prevailing wage rates (within the Industrial Park and El Salvador). Pay is not arbitrary. 1) Factory to provide written guidelines on job pay grades and bonus incentives. 2) Post guidelines and provide training to all employees on the guidelines.	30-Apr-05		Pay guidelines published and distributed on April 20, 2005	Visual inspection, management and worker interviews
Pregnancy Testing		Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.	We discover, throughout the interviews, that some women hired by the company, in the past, were asked to present urine and pregnancy tests, but if they did not show them there was no problem. However this practice was discarded by the factory about four years ago. The factory is no longer carrying out this practice and this situation was corroborated by GMIES, therefore, the factory does not discriminate pregnant women.	This finding was verified through interviews, visits to the clinic and review of hiring applications.			Pregnancy testing is not conducted at factory. Factory Parent Company is developing a Formal Manufacturing Guideline which will specifically spell out that Pregnancy testing is not permitted. Update non-discrimination policy with "no pregnancy testing" verbiage. Post Guideline in a public place, providing training to all employees on the guideline. Include an explanation of the guideline in new hire orientation.	June 1 for Formal Guidelines		5-23-05 - Factory has updated and posted a non-discrimination policy (April 05). The verbiage includes a "no-pregnancy testing" clause in the posting. It is noted that pregnancy testing has not been conducted at this factory for many years.	Visual inspection, document review, worker interviews, interviews with clinic staff

Pregnancy Risk		Employers will ensure that pregnant women are not engaged in work that creates substantial risk to the health of the pregnant woman.				Although is not established by the law, the factory protects pregnant women by shifting them from their workplaces that might be dangerous for their health during pregnancy. This situation neither affect their salary, nor is it obligatory, and it is only temporary.					
Reproductive Health		Employers will ensure that women are not engaged in work that creates substantial risk to their reproductive health				Pregnant women do not work at the cleaning department due to the chemicals used in the process, although women are hired for this department.					
Other	"Ley de Equiparación de Oportunidades para personas con Discapacidades" (Law of Equal Opportunities for Disabled Persons). In article 24 the law mentions that "Every private employer has the obligation to hire, as a minimum, for each 25 workers under his service, to 1 disabled person with formal education and suitable to develop the position that it is in demand."		The company has hired only 11 disabled people and, according to the law, due to the amount of workers into the factory (1,058), there should be 43 disabled workers. GMIES spoke to the factory about this situation and they stated that, although the factory has carried out several efforts to hire disabled persons, there are no applications from this persons to work into the factory, neither they have any way to contact them.	This statement was corroborated through the review of documents and through interviews with management.			[The factory] has attempted to comply with the National guidelines for % of handicapped employees but the labor pool will not support this level. A job fair for handicapped applicants was conducted and no one came. As noted, in the IEM report, factory does employ handicapped individuals and will continue to seriously consider any who may apply. PCs to request that factory provide job vacancy information to *** (local governmental organization that provides job training to handicapped individuals).	30-Apr-05		5-23-05 - Job vacancies and hiring plans will be communicated with **** (govt. agency responsible for dealing with handicapped citizenry). Factory is currently not hiring but will utilize this approach when additional operators are needed.	
<b>6. Health and Safety</b>											
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or											
Fire Safety Health and Safety legal compliance		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	The factory neither has the required permit to develop the screen painting activity, nor has initiated the process to obtain it, even though The Environmental Ministry stated in a letter (MARN-DAL-722-2003 18/12/2003) that this activity could no be initiated without this authorization. The letter address to the factory from the Environmental Ministry establishes that they need the correct authorization to initiate the screen printing activities. However we asked for the documents that show this authorization and the factory did not provide them. That is why we have no evidence that shows that the factory has initiated the process to obtain the authorization to develop screen printing activities. Actually the factory is developing screen printing activities, and due to the lack of evidence, supposedly without the legal permit.	This finding was corroborated by reviewing the factory documents related to this issue and the lack of evidence regarding the initiation of the procedure to obtain the legal authorization.			The factory has requested from the Environmental Ministry a formal permit to function a Screen Print facility. The application is expected to be completed and approval received by the end of February 2005. It is noted that there is a significant backlog of work at this Ministry and the formal approval may be delayed. Management to forward a copy of the permit to the PC once it is received.	1-Aug-05		5-23-05 - The factory is still waiting for El Salvadorian govt. agency to provide formal approval.	Document review
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Although the ventilation system into most parts of the factory is adequate, the ventilation at the storage area is not adequate. According to the information provided by the Safety and Hygiene Manager, the people who work in that area will be relocated in another place, where the ventilation will be adequate for their activities.	This finding was verified by observation, by the equipment of temperature measurement and throughout an interview with the Safety and Hygiene Manager.			No ventilation issues, where employees are located, are identified.			5-23-05 - Labor Ministry has examined ventilation system and verified that current system is sufficient in storage area.	Document review
<b>7. Freedom of Association and Collective Bargaining</b>											
Employers will recognize and respect the right of employees to freedom of association and collective bargaining											



Accurate benefit compensation	Article 25 of the Labor Code: "contracts regarding to labors that, due to its nature, are permanent in the factory should be considered for an indefinite period , although in them is established a termination date. Article 198 of the Labor Code which says that "The minimum quantity that should be paid to the workers as an allowance for the year-end bonus will be: 1) For whom has a year or more or less than three years of service, the allowance equivalent to a ten days salary. 2) For whom has three years or more or less than ten years of service, the allowance equivalent to a fifteen days salary. 3) For whom has ten years or more of service, the allowance equivalent to a eighteen days.	All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled	The factory has the policy of terminating the labor contracts every year and at the same time they compensate the workers for the end of the labor relationship as the Labor Code establish. The worker 's files contain resignations sheets, signed by workers that are still working into the factory and have also new labor contract with a new starting date of labor. This situation affects the workers' ability to obtain a better compensation throughout the years and in case of dismissal because in the new contract that they sign, they appear as new employees to the company and do not develop seniority. Although this practice could be a positive finding in the actual context of the factories because normally they finish the contracts with employees without paying any compensation.	This situation was verified through multiple interviews and through the review of the workers contracts.			The factory completes the employee contracts after a three year period of employment. The decision to make payments in this manner was done so in consultation with the Employees by vote by all employees. PC's are working through the FLA and industry stakeholders to understand further the local and standard industry practices in this area. Once there is clarity around this issue and a determination has been made, PC's will work with the factory on a plan that follows the agreed upon recommendation.	No action required.			
<b>9. Hours of Work</b>											
Except in extraordinary business circumstances, employees will (I) not be required to work more than the lesser of (a) 48 hours per week											
<b>10. Overtime Compensation</b>											
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is											
OT Breaks		Employers will ensure reasonable meal and rest breaks, which, at a minimum, must comply with local laws					All the workers have two breaks during the day (one in the morning and one in the afternoon), even if they are not working overtime.				
OT Compensation	The Labor Code establishes, on article 169 that "Every job verified to be in excess of the regular work shift shall be remunerated with a supplement consisting of one hundred percent of the basic hourly wage, up to the limit set by law".	The factory shall comply with applicable law for premium rates for overtime compensation	The review of the payrolls showed that the factory is not compensating accurately to all workers that are working overtime because it is paying between \$0.30-\$0.14 less than what the law established per hour. When we asked to the factory the reasons for doing this, they said that they were not aware of this situation and they would check the accounting program set up in the computer system. The wage for a maquila worker is \$0.63 per hour and, according to law, the extra hour should be paid double, which is \$1.26, so they are paying around \$1.12 to \$0.96 per extra hour.	This finding was verified through the payrolls.			The computer program has been corrected to allow for proper overtime calculation. All back wages owed to the employees have been paid.	Computer program change is complete. March 1 is targeted for calculation and payment of back wages.		2-1-05 - Factory to provide backpay in 1 lumpsum (~\$25,000) to all workers on Feb 4, 05; 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)
<b>Miscellaneous</b>											
Other			The company does not send the workers' labor contracts to the Ministry of Labor, as it is established by the law.	This situation was corroborated through the review of documents and interviews with management.			Copies of the Labor contracts have been made and given to the Ministry of Labor. Develop written procedures for Human Resources department that includes how and when to forward copies of the labor contracts to MOL (this could include a new hire checklist). Provide training to all human resources staff in procedures for hiring.	30-Apr-05		5-23-05 - Copies of all contracts have been provided to Labor Ministry.	document review, management interview