

*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.



FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation			(Status)	Updates (April 6, 2006)		Company Verification Follow up (June 2006)		(Status)		
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncomorbated)	If not corrob (uncomorbated) explain why	Sources/Documents on used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date		Company follow up (January 2006)	Completed, Pending, On-going	Company Follow up (April 6, 2006)	Documentation		Company Follow up (June 27, 06)	Documentation
Disciplinary Action Punishment of Abusive Supervisors/Manager		Management will discipline (could include combinations of counseling, warnings, demotions, and termination) anyone (including managers or fellow workers) who engages in any physical, sexual, psychological or verbal harassment or abuse				Interviews with the management and through reviewing the documentation provided by the factory.	The factory has a policy that establishes sanctions that goes from verbal reprimand up to more severe penalties that may include job termination, in cases where management verifies physical or psychological abuse committed by the supervisors.											
Gender Sensitive Security		Security practices will be gender-appropriate and non-intrusive.				Interviews with the workers.	Out of the 25 workers interviewed all of them said that they felt comfortable with security procedures carried out by security guards at the factory.											
Access to Facilities		Access to food, water, toilets, medical care or health clinic or other basic necessities will not be used as either reward or punishment	The factory does not have a health clinic, and the first aid kits do not have enough medicines to attend some of the most common illnesses.			The risk of non-compliance was verified by GMIES through observation. On the other hand, the best practice was corroborated by interviews with the workers and the management.	The workers are allowed to go to Salvadoran Social Security Institute whenever they feel in need to visit a doctor. The time that they use to visit the doctor is not deducted from their gross salary, although this is not a common practice at other maquilas' factories in El Salvador. Also the factory has a trained personnel on first aid procedures.	Factory to stock first aid kit with items indicated in PC guidelines for first aid. Factory to develop a system for checking and restocking first aid kits on a monthly basis.	15-Feb-06									
<b>B. Nondiscrimination</b>																		
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																		
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. At 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				Interviews with the management and through reviewing the documentation provided by the factory.	The factory has a written non-discrimination policy and they even affirm that they had hired workers with HIV.											
Sex discrimination		There shall be no differences in compensation and benefits attributable to gender				Interviews with the management.	In general, the management has an open mind about the different roles played by the men and women inside the factory. They appoint, as an example of this situation, the case of a woman who worked in a certain machine usually operated by men and has an excellent performance.											
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.	Worker interview revealed a request to take a pregnancy test when "" hired by the factory more than four years ago.			Interviews with the workers.		The practice of requesting pregnancy tests prior to hiring is no longer in place; this was a former practice that has been ceased. To clarify current hiring practices, 1) Factory to include in the hiring and non discrimination policy that a pregnancy test will not be expected or administered prior to hiring nor will pregnancy status be a condition for employment. 2) Post the policy and provide training to all workers in the policy. Ensure all employees are aware that pregnancy tests are not requested	15-Feb-06	Non discrimination policy has been created and posted by factory management. In addition, job applications also mention that pregnancy tests are not required during application process. Per Jan. 06 PC audit, workers interviews revealed that workers were aware that pregnancy testing is not required for hiring. Factory to provide training to all employees on the non discrimination policy and inform all workers that pregnancy tests are not a current practice nor part of the recruitment process. Maintain documentation of training provided. This issue will continue to be monitored during future audits.		Factory had documentation to prove employees had training on this policy and as mentioned above, policy in place.						
Pregnancy Risk		Employers will ensure that pregnant women are not engaged in work that creates substantial risk to the health of the pregnant woman.	There were two pregnant women working at the finishing department and handling hazardous chemical substances which might be dangerous for the fetus.			GMIES corroborated this situation by observation.		Factory to develop policy and procedures for chemical handling that include that no pregnant workers will work with hazardous substances. Provide training on the policy and procedures to all employees. Develop a system for analyzing work environment of pregnant workers and transfer to positions or work areas that will not affect the health of the worker or baby.	15-Feb-06	Factory has created policy to move all pregnant workers to heat transfer section. Yet, production requiring heat transfer is not always available. Factory management must find alternative risk free areas for pregnant workers to work in, in the case that heat transfer is not available, or not enough positions are available in this area to accommodate all pregnant workers. These "risk free areas" should be identified and priority to work in them should be given to pregnant workers.		Per PC's last visit, focking was being used and there was one pregnant woman working in that area. Factory management must continue to explore possible areas outside of the screen printing area (packing, QC) in order to have a few alternative chemical free working areas to transfer their pregnant workers in the case they don't have heat transfer positions available.	Visual inspection	Per PC factory visit, no pregnant women were found working in positions considered hazardous to their health. Management identified which positions would represent the lowest risk in the factory, these areas are: QC, inspection, packing (folding & counting units), and heat transfer machines. During last PC follow up visit, factory management committed to be sensitive, and to accommodate pregnant women in those job positions in order to ensure that pregnant workers' health is not affected.	Visual inspection, management interviews	Ongoing		
Other: Legal Compliance	The Law of Equal Opportunities for Disabled Persons, on its 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 4 disabled people and, according to the law, due to the amount of workers into the factory (251), there should be 15 disabled workers. The law that establishes this situation is "Ley de Equiparación de Oportunidades para personas con Discapacidades" (Law of Equal Opportunities for Disabled Persons). GMIES spoke to the factory about this situation and they stated that the main problems that they have to comply this issues are related to the procedures established by the Ministry of Labor to hire disabled persons and the capacity of these people to develop the activities carried out by the factory.					Factory to develop a system for posting announcements and recruiting disabled workers. Factory to communicate with ISRI (local government agency that trains disabled workers) for recruitment opportunities of disabled workers.	15-Feb-06	Per Jan. 06 PC follow up, approximately 9 workers with disabilities are currently working in the factory. The factory has also contacted the Ministry of Labor to post job vacancies to registered handicapped workers.		Currently, the factory continues to have 9 handicapped workers. Although the factory has a low incidence (Factory) would have to hire 3 more. Management was provided with contact information of a local handicapped institution (ISRI) and committed on communicating with them in order to locate and hire 4 more handicapped workers. [Agent] to check this issue again within two weeks.	Visual inspection, management interviews	Actual factory worker number is 175 and there are 4 active handicapped workers which means that in order to be within the Salvadoran labor ordinance (Factory) would have to hire 3 more. Management was provided with contact information of a local handicapped institution (ISRI) and committed on communicating with them in order to locate and hire 4 more handicapped workers. [Agent] to check this issue again within two weeks.	Visual inspection, management interviews	Pending		
<b>B. 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 occurring in the course of work or as a result of the operation of employer facilities																		

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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				Interviews with the management and through reviewing the documentation provided by the factory.	The factory has the environmental permit required by the Environment Law whose code is MARN-075-2001(BS). The Environmental Adjustment Program has been fully applied by the factory. This situation has been corroborated by the Ministry of Natural Resources and Environment, according to the audit carry out by this Ministry on 09/06/02.											
Document Maintenance/ Accessibility		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	Most of the MSDS are in English which makes it difficult for the to understand them. Besides, the places in which the MSDS are located, makes it difficult for the employees to read them.			GMIES corroborated this situation by reviewing some MSDS such as TW 4105, K2 Primavera, DYED RAYON, among others.		Obtain MSDS in Spanish, post Spanish versions of MSDS in areas where chemicals are used and stored. Post MSDS in local language in an area that is visible to all workers and easy to read	15-Feb-06	Most MSDS have been translated, yet per Jan. 06 PC follow up, there were approximately 3 MSDS that were currently in the process of being translated by vendor. All translated MSDS to be posted in areas where chemicals are used and stored and where they can easily be seen by workers. Worker training on chemical management to be provided by local firefighters scheduled for		MSDS's in place and documentation of training was shown as proof	Completed and ongoing				Completed	
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unlocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures				Interviews with the management and workers. Also, this situation was verified through observation.	The factory has evacuation maps that guides the workers toward the nearest exits. Also, there is a map that shows the exact location for every fire extinguisher placed at the plant. The factory has a Health and Safety Committee approved by the Ministry of Labor and a written policy about Health and Safety General Standards. Besides, the plant has promoted training on first aid procedures fire control and evacuation processes.											
PPE		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.	Some workers at the inspection department, who handle chemical substances such as thinner and spfl, do not use the appropriate PPE, such as mask and gloves, although the factory provides the adequate equipment to their employees.			The risk of non compliance was verified by GMIES through observation. On the other hand, the best practice was corroborated by interviews with the workers and the management.	It is important to mention that the factory also provides to the employees training on how to use PPE.	Factory to continue to provide training on the use of PPE. Supervisors to continually enforce the use of PPE.		Per Jan. 06 PC audit, silicon masks have been provided on an annual basis to workers handling chemicals, yet, some workers continue to not use all of their PPE. Factory management and supervisors must continue to enforce the use of all PPE provided. In addition, training should be provided on the proper use of the PPE, as well as the reasons for their use. Maintain documentation of training provided.		Documentation of training was shown as proof but employees cleaning the frames where not using aprons, gloves, eye protection or respirators. Factory management and supervisors must enforce the use of PPE at all times. Workers' must be explained that the use of PPE is a requirement and obligation.	Training materials, photos	Gathered information requested PPE is available to workers as they were seen using their protective equipment as required. Factory's mandatory use of PPE was seen posted in areas where PPE is needed (visual inspection/pictures attached)	Visual inspection, management interviews	Completed and ongoing		
Chemical Management for Pregnant women and juvenile workers	The Salvadorian Labor Code only establishes that the employers are not allowed to designate pregnant women on position that requires physical effort after the fourth month of pregnancy.	To prevent unsafe exposure to hazardous chemicals, appropriate accommodations shall be made for pregnant women and minors as required by applicable laws in a manner that does not unreasonably disadvantage employees	There were two pregnant women working at the finishing department and handling hazardous chemical substances which might be dangerous for the fetus.			Observation.	Factory to develop policy and procedures for chemical handling that include that no pregnant workers will work with hazardous substances. Provide training on the policy and procedures to all employees. Develop a system for analyzing work environment for pregnant workers and transfer to positions or work areas that will not affect the health of the worker or fetus.	15-Feb-06	Factory has created policy to move all pregnant workers to heat transfer section. Yet, production requiring heat transfer is not always available. Factory management must find alternative risk free areas for pregnant workers to work in, in the case that heat transfer is not available, or not enough positions are available in this area to accommodate all pregnant workers. These "risk free areas" should be identified and priority to work in them should be given to pregnant workers.		Factory to continue using policy on chemical handling and pregnant workers. Factory must identify possible chemical free areas that are not restricted to heat transfer only. Factory management should consider to have areas in QC and packing for pregnant workers to work in.		Per PC factory visit, no pregnant women were found working in positions considered hazardous to their health. Management identified which positions would represent the lowest risk in the factory, these areas are: QC, inspection, packing (folding & counting units), and heat transfer machines. During last PC follow up visit, factory management committed to be sensitive, and to accommodate pregnant women in those job positions in order to ensure that pregnant workers' health is not affected.	Visual inspection, management interviews	Completed			
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	The air extractors located at the developing and storage department are not the adequate ones to remove the polluted air from these areas. Besides, one of the ovens, while it is working, produces gases that rarely the environment both at the first and the second floor. On the other hand, the high voltage area is not properly protected, allowing any person to access it.			This finding was verified by observation, by the equipment of temperature measurement and throughout an interview with the Safety and Hygiene Manager.		Factory to analyze air quality in developing and storage department and determine the type of extraction system required for the area. Factory to obtain and install extraction systems adequate for developing and storage areas. Factory to conduct air quality testing annually and maintain records on file.	15-Feb-06	Factory has made request to Ministry of Labor (Mol) to conduct an emission control tests, yet, Mol has not responded. PC has asked factory management to find alternative groups to conduct testing. Once testing are completed, it will be verified if current extractors are adequate.		Factory is still waiting for the Ministry of Labor to give them a date. Factory management must also explore and consider alternative agencies to conduct air quality testing. Air emission testing must be done in all areas where chemicals are involved. Please submit results of air quality exam to PC once such are completed.		Action item is not completed as management requested two more weeks. It is not clear whether or not Mol would have the technical equipment or the professionals to measure gas emissions in factories as part of their responsibilities. Meanwhile, management must: A) Hire engineers to assess whether or not the mechanical air extract systems are the appropriate for the building. Certification would be retained. B) Management to hire a local environmental agency to conduct air leaching in areas suggested by IEM monitor and others considered high risk. C) Management to restrict unauthorized access to high voltage areas as suggested by the IEM monitor.	Visual inspection, management interviews	Pending		
Access to Facilities		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	The factory does not have a health clinic, and the first aid kits do not have enough medicines to attend some of the most common illness.			The risk of non compliance was verified by GMIES through observation. On the other hand, the best practice was corroborated by interviews with the workers and the management.	The workers are allowed to go to Salvadorian Social Security Institute whenever they feel in need to visit a doctor. The time that they use to visit the doctor not deducted from their gross salary, although this is not a common practice at other maquilas' factories in El Salvador. Also the factory has a trained personnel on first aid procedures.	Factory to stock first aid kit with items indicated in PC guidelines for first aid. Factory to develop a system for checking and restocking first aid kits on a monthly basis.	15-Feb-06	Factory Administrative Manager is responsible for checking first aid kit weekly. Factory to create a checklist listing all required medical supplies by PCs. Checklists should be used weekly to ensure that first aid kit is stocked with all necessary first aid supplies.		6-Apr-06 First aid kit in place, with the proper material, checklist, etc.	Visual inspection			Completed		
Sanitation in Dining Area		All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.				Observation.	The factory has a locker room in which each worker keeps their personal items.											
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees				Interviews with the workers and with the management.	The workers lively participated in the factory's Health and Safety Committee approved by the Ministry of Labor. This committee regularly meets with the management to deal with subjects related to health and safety issues. Also, the workers participate in evacuation plans and some of them receive training in first aid procedures.											

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<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																		
Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment		Workers interviewed *** suggested that they thought that the factory would not allow a union at the plant.		Interviews with the workers.		Factory to provide training on Freedom of Association policy to all employees. Training should include a review of the PC's code of conduct policy and local laws on freedom of association. Training should include non discrimination policy and termination policy to inform workers that no employees shall be terminated for joining or belonging to a union or association of their choosing.	15-Feb-06	PCs to conduct a training on FoA to factory management. The training, scheduled for 3rd quarter 2006 will be provided to all suppliers in El Salvador, and will focus on proper hiring practices, local labor laws and PC's standards on freedom of association and nondiscrimination. Once the training is complete, it will be expected for factory management to create internal FoA policy and train all workers, supervisors, and managers on the FoA policy and procedures.		Factory management to create a FoA policy and non-retaliation policy based on training received by management. Once policies are drafted, they must be posted in areas where workers may have access to review them. In addition, all workers, managers, and supervisors must be verbally trained on new policies and existing non-discrimination policy.		There is a non-retaliation policy posted, in addition to no worker training provided on FoA and non-discrimination policies. Management is considering a third party to deliver the training on Freedom of Association that would include factory policies, PC's standards, and local and international labor standards. Management requested at least one month to produce the FoA policy and training schedule.			Pending	
Unfair dismissal		The employer will not dismiss, discipline, or otherwise coerce or threaten workers seeking to form, join or participate in workers' organizations		*** [Workers interviewed said that they thought that they would be dismissed if they decided to joined a union.		Interviews with the workers.		Factory to provide training on Freedom of Association policy to all employees. Training should include a review of the PC's code of conduct policy and local laws on freedom of association. Training should include non discrimination policy and termination policy to inform workers that no employees shall be terminated for joining or belonging to a union or association of their choosing.	15-Feb-06	PCs to conduct a training on FoA to factory management. The training, scheduled for 3rd quarter 2006 will be provided to all suppliers in El Salvador, and will focus on proper hiring practices, local labor laws and PC's standards on freedom of association and nondiscrimination. Once the training is complete, it will be expected for factory management to create internal FoA policy and train all workers, supervisors, and managers on the FoA policy and procedures.		Factory management to create a FoA policy and non-retaliation policy. Once policies are drafted, they must be posted in areas where workers may have access to review them. In addition, all workers, managers, and supervisors must be verbally trained on new policies and existing non-discrimination policy.		There is a non-retaliation policy posted, however there is no worker training on FoA and non-discrimination policies provided so far. Management is considering a third party to deliver the training on Freedom of Association that would include factory policy, PC's standards, local labor law and internationally recognized FoA and non-discrimination standards. Management requested at least one month to produce the FoA policy and training process.			Pending	
Discrimination		The employer will not discriminate against workers who seek to exercise their right to organize and bargain collectively				Interviews with the management.	The management stated that they have no problem in hiring union workers, although this is not a common practice at the maquilas factories in El Salvador.											
Blacklisting		Employers will not use blacklists of any kind.				Interviews with the management.	The management stated that they do not use the blacklisting system, although this is a common practice at the maquilas factories in El Salvador.											
Other/ No Interference Policy				Although it was requested the factory did not show GMIES a written no interference policy related to workers freedom of association.		Interviews with the management and through reviewing the documentation provided by the factory.		Factory to develop written policy on Freedom of Association that includes clause indicating that there shall be no reprisals for employees joining or affiliated with a union or association of their choosing. Factory to provide training on Freedom of Association policy to all employees. Training should include a review of the PC's code of conduct policy and local laws on freedom of association. Training should include non discrimination policy and termination policy to inform workers that no employee shall be terminated for joining or belonging to a union or association of their choosing.	15-Feb-06	PCs to conduct a training on FoA to factory management. The training, scheduled for 3rd quarter 2006 will be provided to all suppliers in El Salvador, and will focus on proper hiring practices, local labor laws and PC's standards on freedom of association and nondiscrimination. Once the training is complete, it will be expected for factory management to create internal FoA policy and train all workers, supervisors, and managers on the FoA policy and procedures.		Factory management to create a FoA policy and non-retaliation policy. Once policies are drafted, they must be posted in areas where workers may have access to review them. In addition, all workers, managers, and supervisors must be verbally trained on new policies and existing non-discrimination policy.		There is a non-retaliation policy posted, however there is no worker training on FoA and non-discrimination policies provided so far. Management is considering a third party to deliver the training on Freedom of Association that would include factory policy, PC's standards, local labor law and internationally recognized FoA and non-discrimination standards. Management requested at least one month to produce the FoA policy and training process.			Pending	
<b>8. Wages and Benefits</b>																		
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits																		
Minimum Wage		Employers will pay workers the legal minimum wage of the prevailing industry wage, whichever is higher				GMIES corroborated this situation throughout the payrolls	During the first three months, the workers earn \$151.20, which represents the minimum wage established for urban workers in El Salvador. After this period, the workers earn \$181.44, which represents a 20% increase of the minimum wage.											
Training Wage	The Salvadorian Labor Law establishes that the training wages should not be lower than the minimum wage.	Where training wages are legally allowed, no worker will be paid a training wage for more than three months cumulatively				GMIES corroborated this situation throughout the payrolls	During the first three months, the workers earn \$151.20, which represents the minimum wage established for urban workers in El Salvador.											

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Wage Benefits Awareness		Employees will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law				Interviews with the workers.	14 out of the 25 (Workers interviews revealed) that they know how to calculate their year-end bonuses and their vacation payment. Also, 19 out of the 25 workers interviews revealed said that the all management explained them that at the end of the year the factory would share its profits with all of them.											
Deduction for Services	According to the Salvadorian Labor Law the deductions made to the employees gross salary will not exceed the 20% of it.	Deductions for services to employees will not exceed the cost of the service to the employer. If questioned, employers will demonstrate the reasonableness of these charges				Interviews with the workers.	The workers interviewed said that one of the benefits at the plant are loans granted by the factory to their employees because the deductions are not as high as the ones given by the banks											
Legal benefits		Employees will provide all legally mandated benefits to all eligible workers				GMIES corroborated this situation throughout the payrolls and through interviews with the management and the workers.	The company provides extra benefits than the ones established by the law. Examples of these situations are that the factory paid a higher salary than the one established by the law and a life insurance after one year of work.											
Payment of wages	The Salvadorian Labor Code establishes the following rates for the year-end bonuses: One to three years worked: ten days salary. Three to ten years worked: fifteen days salary. Ten or more: Eighteen days salary. The Salvadorian Labor Code establishes that whenever an employee is fired without a justified cause he or she has the right to request a severance payment which would be the equivalent to one month gross salary per each year worked.	Legally mandated bonuses (e.g. 13th month payments and severance payments) will be paid in full and in a timely manner				GMIES corroborated this situation throughout the payrolls	The percentages paid to the workers for the year-end bonuses is higher than the one established at the Salvadorian Labor Code according to the years worked by the employees at the factory. (This percentage goes from 25% to 100%). Although, the Salvadorian Labor Code does not compel employers to pay a severance payment in the cases in which the worker resigns, the factory pays a 75% of the total severance whenever this situation occurs at the plant.											
Accurate recording of wage compensation	Labour Code of El Salvador establish the article 163 effective time of work is all the time that the worker under the orders and disposition of the boss or employer. The article also establish that the breaks and lunch time during the work schedule are considered effective. From the normative GMIES inferred that the lunch time and the breaks have to be paid time	All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	The factory does not pay the time established for the lunch break, which consists in a 30 minutes period.	One worker presented a higher withholding than what it is permitted by the law.		The first situation was corroborated by GMIES through the interviews to the workers and it was also admitted by the Human Resources Manager. The second finding was verified throughout the reviewing of payrolls.		1) Factory to provide PC with information on the factory's regular working hours and meal breaks. It is not required by law to pay for meal break if the regular working hours are established in the work contract and regular working hours do not exceed those established by law and PC code of conduct and paid according to law. 2) Factory to apply withholding to worker's pay as per law. Factory to provide PC with information on how withholding is calculated. Factory to develop system for calculating and applying correct withholding to all payroll.	15-Feb-06	1) Further investigation is needed, factory to provide PC with copy of worker contract and published working hours and rest break policy and procedures 2) PC to further review payrolls to ensure that no additional worker has higher withholding as per law. PC to request from Monitor confidential information of the withholding claim so as to verify that payroll calculations for the individual cited are correct going forward and any back wages are reimbursed.	PC has been provided with additional information from the monitor regarding this issue. An audit is scheduled for July 2006 in where issue regarding lunch breaks and workers' deductions will be reviewed. Once issues are verified, PC and factory management will be able to create remediation action plan for meal break/worker deduction issue.	It is factory practice to allow workers to take their meals in a divided work schedule and not a continuous one as allowed by local law. Management acknowledged that they will have to change workers' contracts in order to reflect a divided schedule. In addition, factory management will also work with the Salvadorean Ministry of Labor in order to seek approval of the divided work schedule and to ensure divided work schedule is reflected in workers' contracts. Furthermore, management to create policies and procedures that would restrict withholding that would not pass the allowable limit. Worker identified in the original IEM report indicated that he is no longer being deducted other than the legally allowed deductions (social security, retirement fund, etc.).				Pending		
Record Maintenance		All legally required payroll documents, journals and reports will be available complete, accurate and up-to-date. (In the United States terms this would include W-4s, I-9s, green cards, 941s and supporting material)		After reviewing the workers files GMIES corroborated that these files did not have a copy of the employees' contracts approved by the Ministry of Labor, although this Ministry has received them.		GMIES corroborated this situation through reviewing the workers' files.	Factory to include a copy of the worker's contract, signed by employer and employee, in each employee's file. Develop a system in the human resources department to ensure that a copy of each worker's contract is in each personnel file.	15-Feb-06	Per PC internal audit, most files reviewed contained copy of labor contracts, yet some workers' files are still missing labor contracts. Factory management must create tracking system that ensures that all workers receive contract upon hiring.	PC double checked that workers' contracts were signed by employee and factory management.						Completed and ongoing		

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings				Remediation				[Status]	Updates (April 6, 2006)		Company Verification Follow up (June 2006)		[Status]	
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncomroated)	If not corrob (uncomroated) explain why	Sources/Documentat on used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date		Company follow up (January 2006)	Completed, Pending, On-going	Company Follow up (April 6, 2006)	Documentation		Company Follow up (June 27, 06)
Accurate benefit compensation	The article 25 of the Labor Code establishes that "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. It also affects the 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		On July 2004, the factory decided to finish the labor contracts and indemnify the workers who are still working at the factory.		GMIES corroborated this situation through reviewing the workers' files.		PCs are working through the FLA and industry stakeholders to understand further the local and standard industry practices regarding terminating contracts and paying severance to workers annually rather than at the end of their employment. This practice is not considered illegal as per local law. Once there is clarity around this issue and a determination has been made, PCs will work with the factory on a plan that follows the agreed upon recommendation. For the short term, factory should provide information to the PC indicating that workers retain their seniority based on date of hire and benefits based on seniority are respected.		Though workers were paid severance (indemnification) in 2004, workers' seniority and seniority related benefits such as their Christmas bonus have been maintained; workers are paid vacation and Christmas bonuses as per their seniority at the factory.	Completed, Pending, On-going	Employees contracts are always done indefinite because this is something the employees asked for. As mentioned above, in 2004 the employees were indemnized per their request. As a result, workers were indemnized through 2004. It was then agreed that workers will not be indemnized until they leave the factory. But this has never affected their seniority.				Completed	
<b>B. 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 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 of every seven day period																	
Forced overtime		Under extraordinary business circumstances, employees will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime		[Worker interviews suggest] pressure to work overtime.		Interviews with the workers.		Factory to post policy and procedures of voluntary overtime. Train all workers including supervisors in the voluntary overtime policy and procedures. Ensure system for collecting voluntary overtime signatures and ensure that no pressure to work overtime applied to workers.	15-Feb-06	Factory management has created and posted voluntary OT policy. However, voluntary OT sign up sheets are pending. Factory management to create system for workers to voluntarily sign up for OT when such is needed. Factory management to provide training to managers, supervisors, and workers on voluntary OT policy and sign up sheet.		Factory has not conducted voluntary OT policy training, nor implemented a voluntary OT system with sign up sheets. All workers, supervisors, and managers must be trained on the voluntary OT policy and system.		Action item not completed. Management committed in performing the worker training on July 1, 2006.			Pending.
Positive Incentives	The Salvadorian Labor Code establishes that the overtime should represent a 100% increase of the regular worked hour.	Positive incentives will be utilized, and known by the workers				GMIES corroborated this situation throughout the payroll	The monitors verified this situation and arrived to the conclusion that the factory pays the overtime according to the standards established by the Salvadorian Labor Code and, in some situations, this extra hours are paid above this legal standard.										
Overtime Limitations		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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts		There was only one employee from the manual department, who worked more than 60 hours a week, during the period that went from January 1 to 15.		GMIES corroborated this situation throughout the payroll		Through investigation of payroll, it could not be corroborated that any employee exceeded the 60 hrs per week maximum. However, to ensure that working hours and overtime hours meet PC standards and local law, factory to develop system to ensure that workers do not work more than 60 hrs per week. 1) Post working hours policy, including 60 hrs per week maximum, and 2) provide training on PC's code of conduct policy for working hours. 3) Management to review working hours throughout the week to ensure that no workers exceeds 60 hours per week.	15-Feb-06	Factory has only 2 shifts that run from 6 am-1 pm and 1- pm-6:00 pm. Former 12 hour shifts for regular work have been suspended, unless OT is needed. This has helped maintained working hours within the 60 hour limit. No excessive OT found during Jan. 06 PC internal audit, yet, this issue will continued to be monitored.		No excessive overtime was found.				Completed and ongoing	

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation			[Status]	Updates (April 6, 2006)		Company Verification Follow up (June 2006)		[Status]	
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncomrober stated)	If not corrob orated, explain why	Sources/Documental on used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date		Company follow up (January 2006)	Completed, Pending, On-going	Documentation	Company Follow up (June 27, 06)		Documentation
Legal compliance with protected workers		The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18					Interviews with the management and through reviewing the documentation provided by the factory										
Other: Legal Compliance	The Salvadorian Labor Code establishes that the daily shift goes from 6:00 a.m. to 7:00 p.m. and the nightly shift goes from 7:00 p.m. to 6:00 a.m.						GMIES corroborated this situation throughout the payroll										
<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 legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																	
OT Compensation		The factory shall comply with applicable law for premium rates for overtime compensation					GMIES corroborated this situation throughout the payroll										
<b>Miscellaneous</b>																	