

Course of Remediation

March 30, 2023

The United States and Mexico agree to this Course of Remediation for purposes of United States-Mexico-Canada Agreement (USMCA) Annex 31-A (United States-Mexico Facility Specific Rapid Response Labor Mechanism) for the Denial of Rights determined by Mexico to exist at the Manufacturas VU, S. de R.L. de C.V., facility in Piedras Negras, Coahuila, Mexico. The agreed-upon date for remediation is September 30, 2023; however, each action specified in the Course of Remediation must occur by the date specified for such action in the Course of Remediation. The Parties may agree to modify the agreed-upon date for remediation as appropriate, including if the domestic litigation described below remains ongoing. The Parties will meet regularly to share information about and closely monitor implementation of this Course of Remediation.

1. Mexico will ensure that Manufacturas VU undertakes the following actions:
 - a. Manufacturas VU will make a public, written statement in which it commits to respect the rights of freedom of association and collective bargaining, including the right of workers to belong to the union of their choice; affirm, from this point forward, its neutrality, and guarantee its non-interference in all union activities, including those carried out within the framework of the negotiation of a collective bargaining agreement (CBA); affirm its commitment to engage in collective bargaining processes in good faith; and penalize any action or omission on the part of its management personnel or its representatives that violates these rights, including by dismissing company personnel who violate the principles in this statement. No later than April 10, 2023, Manufacturas VU will distribute this statement to all personnel, post it in prominent locations throughout the facility, and make it available to the public or press upon request.
 - b. Manufacturas VU will fully abide by the commitments in its public, written statement.
 - c. No later than April 21, 2023, executives from VU Manufacturing, Manufacturas VU's United States-based parent company, will visit the facility to further assure workers of these commitments. The executives (using professional interpreters, as necessary) will hold an all-staff meeting during regular working hours where they will read the statement to workers and answer workers' questions about these commitments. The Government of Mexico and the United States Government, as well as representatives of unions with a presence in the plant, will be invited to attend this meeting.
 - d. Manufacturas VU will penalize and remediate any conduct committed by its trusted or unionized workers that violate the free exercise of the rights of freedom of association and collective bargaining. Manufacturas VU will promptly report any suspected violations of these rights to the Secretaría del Trabajo y Previsión

Social (STPS).

- e. Manufacturas VU will fully cooperate with any investigation brought by the Government of Mexico involving suspected labor violations involving the facility and immediately implement any actions necessary to remediate the violations.
 - f. Manufacturas VU will permit STPS to conduct in-person workers' rights trainings for all company personnel during normal working hours.
 - g. Manufacturas VU will take appropriate action against members of the facility's current Human Resources staff who have violated workers' rights to freedom of association or collective bargaining, including terminating staff where appropriate, and restructure its Human Resources Management to incorporate suitable, neutral personnel who are not involved in the conflict to provide confidence to the parties. The new management must affirm before the workers its willingness to dialogue with all the unions without discrimination or favoritism, as well as respect the rights of freedom of association and collective bargaining.
 - h. Manufacturas VU will fully cooperate in any litigation in Mexico's domestic courts related to the denial of rights at the facility. Without prejudice to Manufacturas VU's rights under Mexican law, Manufacturas VU will not impede La Liga Sindical Obrera Mexicana's (LSOM's) attempts to restore or exercise its right to represent workers for purposes of bargaining at the facility. Manufacturas VU will post the outcome of any litigation at the facility and will respect the final outcome of the litigation, after any appeals are completed.
 - i. Manufacturas VU will issue transparent guidelines establishing the rights that it will provide to union representatives and advisers with a presence in the plant to carry out union activities within the working day. This will include, but is not limited to, rules regarding: access to the plant without unjustified restrictions; safe and neutral spaces for union activities; dates and times sufficient to carry out union activities; permits to be temporarily absent from the plant to carry out union activities; mechanisms for unions to address specific problems of their members immediately; accessible spaces to disseminate union information; among others that are considered relevant to guarantee the free development of union activities. Manufacturas VU will train all its Human Resources staff on these guidelines with STPS as a technical resource.
 - j. Manufacturas VU will designate a representative with decision-making powers in all the activities carried out within the framework of the implementation of this Course of Remediation and in the potential negotiation of a CBA.
2. STPS will inform the workers of the reasons that led the Government of Mexico to determine the existence of a denial of rights in Manufacturas VU, as well as the scope of

this Course of Remediation.

3. STPS will conduct in-person workers' rights trainings on freedom of association and collective bargaining – which will include information related to the Constancia de Representatividad and strike processes, obligations of parties during collective bargaining, anti-union discrimination, and minority union rights – at the facility for all workers, supervisors, and human resources personnel. STPS will distribute printed materials to participants as part of these trainings.
4. The Centro Federal de Conciliación y Registro Laboral (CFCRL), in coordination with other authorities, building upon evidence gathered during the Government of Mexico's review conducted pursuant to USMCA Article 31-A.4, will initiate sanctions proceedings, according to Mexican law, and, if warranted, impose appropriate sanctions against individuals, labor organizations, or companies that have been found to violate Mexican Law in connection with this review.
5. No later than April 6, 2023, Procuraduría Federal de la Defensa del Trabajo (PROFEDET) will contact LSOM to offer legal advice and representation to the union in filing a complaint in Mexico's domestic courts regarding violations of law at the facility. If such a complaint is filed, STPS and CFCRL will, in accordance with domestic law, file with the courts the evidence gathered and findings made during the Government of Mexico's review conducted pursuant to USMCA Article 31-A.4 and other relevant investigations. At LSOM's request, such evidence can also be filed with the relevant courts in the ongoing amparo proceedings.
6. The Government of Mexico will invite the local Judicial Power in Coahuila, as well as other judicial authorities from across the country, to participate in training on collective issues, including the interaction of the Constancia de Representatividad and strike processes.
7. Recognizing that there is ongoing litigation in the domestic courts, the CFCRL will respect the outcome of those decisions and, based on a recent amparo decision, will not process any Constancia de Representatividad at the facility. If the courts determine LSOM's Constancia de Representatividad is still valid, and the parties agree to a CBA, the CFCRL would process that CBA in accordance with the law.
8. Recognizing that complaints about anti-union threats and violence have been filed with Mexican authorities, these authorities will continue to ensure that these and future complaints are properly investigated and addressed.
9. The CFCRL will continue to disseminate materials explaining key issues related to workers' rights to freedom of association and collective bargaining to increase public awareness of the rights of workers and responsibilities of employers.

10. STPS will monitor the facility, including by conducting regular inspections until the agreed-upon date for remediation. STPS will share the results of the monitoring with the United States, as well as VU Manufacturing executives in the United States and Mexico.