

Course of Remediation

August 8, 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 Industrias del Interior, S. de R.L. de C.V., facility in the vicinity of Rincón de Romos, Aguascalientes, Mexico (the Facility). The agreed-upon date for remediation is November 10, 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 will meet regularly to share information about and closely monitor implementation of this Course of Remediation.

The United States and Mexico observe that, on July 6, 2023, following the United States' request for review, the Facility, *Frente Auténtico del Trabajo* (FAT)¹ and *Sindicato de Industrias del Interior* (the Union)², reached an agreement facilitated by the Government of Mexico concerning this matter (the July 6 Agreement).

Given the July 6 Agreement between the Facility, FAT, and the Union, the United States and Mexico agree that Mexico, in accordance with its legislation, shall ensure that the Facility complies in full with the July 6 Agreement and undertakes the following actions to ensure complete remediation of the denials of rights at the Facility:

1. Relocation of the union's office and full-time union work employees.
 - a. The Facility commits to relocate the union's office and individuals employed to perform union work to a different work area separate from Human Resources. Individuals employed to perform union work full-time at the Facility will not be classified as trusted personnel.³ This will be completed by September 1, 2023.
2. Neutrality Statements and Company Guidelines
 - a. Make a public, written statement which commits to ensure: respect for the rights of freedom of association and collective bargaining, including the right of workers to belong to, or engage in activities for, the union of their choice, or to choose not to affiliate with a union, without facing any retaliation; affirm, from this point forward, its neutrality on workers' union choices, and guarantee its non-interference in all union activities, including financial affairs, votes, and collective bargaining agreement (CBA) activities; refrain from attempts to influence workers' views on unions or union officials in any way; and affirm its commitment to engage in collective bargaining processes in good faith. The statement will be posted on company's website. This will be completed by August 30, 2023.

¹ A Mexican labor organization.

² The duly-recognized union at the Facility.

³ For greater certainty, trusted personnel means *trabajador de confianza*.

- b. Read and distribute hard copies of this statement to all employees and contractors (hereafter company personnel), post it in prominent locations throughout the Facility, and make it available upon request. This will be completed by August 30, 2023. New company personnel hired during the term of the Course of Remediation will receive the statement at the time of hire and the posted statement will remain posted for the duration of the Course of Remediation.
- c. Issue transparent guidelines that govern the conduct of company personnel, implement the commitments of the neutrality statement, and establish the rights provided to workers, union representatives and union advisers at the Facility. The guidelines will provide detailed explanations of rights and prohibitions, and will cover topics including, but not limited to: all subjects in the neutrality statement, the rights of Union representatives and advisers with a presence in the plant to carry out union activity during the work day, actions or inactions that have the effect of interference in union activities, appropriate means of communication between INISA and the Union, actions to ensure that communications regarding interpretation of matters in the collective bargaining agreement are communicated to workers through the Union, among others that are considered relevant to guarantee the free development of union activities. This will be completed by September 15, 2023. The Facility will comply with its stated policies, and adherence to the policies will not be an excuse not to maintain an appropriate relationship with the Union.
- d. Establish and deploy a zero-tolerance policy for violations of the neutrality statement or guidelines and penalize any action or omission on the part of company personnel that violates these rights, including by dismissing company personnel who violate the principles in this statement. For greater clarity, the Facility will comply with its guidelines and ensure that communications between the Facility's company representatives, and the Union occur through the designated representatives as provided in the July 6 Agreement, and sanction any action or omission on the part of the Facility's management personnel or its representatives that violates the July 6 Agreement provisions on communications between the Facility and the Union or other provisions of the neutrality statement or guidelines. This will be completed by September 15, 2023.
- e. Train all company personnel and union representatives on the company guidelines and neutrality statements, with STPS as a technical resource. This will be completed by November 6, 2023.

3. Complaint Mechanisms

- a. Install, maintain, and publicize the existence of a telephone line or direct email address, and a system of anonymous and confidential messages to the company, to which workers can report violations of their rights and breaches of company guidelines and policies. INISA commits that there will not be any discrimination, reprisals, threats, harassment or violence against workers who utilize the mechanism. This will be

completed by September 1, 2023. The company will thoroughly investigate and address, in a timely manner, allegations received through this mechanism.

- b. Post information about how workers can file complaints with Mexico related to violations of their rights. INISA commits that there will not be any discrimination, reprisals, threats, harassment or violence against workers who contact Mexico to raise concerns. This will be completed no later than September 1, 2023.

Mexico, through the authorities listed below, shall undertake the following actions:

1. Trainings

- a. STPS and the Federal Center for Conciliation and Labor Registration (CFCRL) will conduct in-person workers' rights training for all company personnel during normal working hours and post and distribute informational material at the Facility regarding freedom of association and collective bargaining, including the right to organize, select, affiliate, and conduct union activities with a union of their choice without any intimidation, coercion, violence or retaliation; the right to freely elect union leaders to represent them; the right to receive an accounting of union spending; the concepts of union independence and employer neutrality; and the rights of workers under the collective bargaining agreement.
- b. Mexico will offer a telephone line and/or direct email address for workers to anonymously report any intimidation, coercion, or threats with respect to their selection of a union or union activities, or non-neutrality, or interference in internal union affairs.

2. Inspections and Sanctions

- a. The CFCRL or STPS will monitor the Facility, including by conducting periodic inspections at the Facility related to the obligations of this Course of Remediation and compliance with Mexican laws related to freedom of association and collective bargaining. STPS will share the results of this monitoring with the United States as well as with the Facility.
- b. STPS, in coordination with other authorities, will initiate sanction proceedings, according to Mexican law, if Mexico has information that shows violations of Mexican law, including as a result of evidence gathered during the Government of Mexico's review conducted pursuant to USMCA Article 31-A.4, or monitoring done during this Course of Remediation, and impose appropriate sanctions against individuals, labor organizations, or companies that have been found to violate Mexican Law.