

Course of Remediation
July 28, 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 Draxton México, S. de R.L. de C.V. (Draxton) facility in Irapuato, Guanajuato (the Company). The agreed-upon date for remediation is October 31, 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.

Mexico, in accordance with its legislation, shall ensure that Draxton undertakes the following actions:

1. Unlawful Dismissal

- a. The worker terminated due to union activities shall be reinstated to his prior position with the same title, job duties, working conditions and benefits he had at the time of his separation from the company. This will be completed by August 15, 2023. There will be no discrimination, harassment, intimidation, coercion, threats, reprisals or violence against the worker from this time forward.
- b. Provide full back pay and benefits, from the date of termination until the date of reinstatement, to ensure make-whole relief, as appropriate under Mexican law by September 1, 2023. This process shall be facilitated by STPS or the Federal Center.

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 whether through discrimination, coercion, gifts, or other incentives; affirm its commitment to engage in collective bargaining processes in good faith. This will be completed by August 11, 2023;
- 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. New workers 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. This will be completed by August 11, 2023.
- c. Issue transparent guidelines that govern the conduct of personnel at Draxton, 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, union access to the facility without unjustified restrictions, the process for workers to stop and start payment of union dues, separation between union and company functions, including in the hiring process and monetary affairs, among others that are considered relevant to guarantee the free development of union activities. The guidelines will also note that Draxton will train all company personnel and union representatives on the neutrality statement and the guidelines annually. This will be completed by September 8, 2023.

- 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 its personnel that violates these rights, including by dismissing company personnel who violate the principles in this statement. This will be completed by September 8, 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 October 1, 2023.
3. Dissemination of the Collective Bargaining Agreement
- a. Distribute a printed copy of the current CBA to all company personnel. New workers will also receive a printed copy of this agreement, so long as it is in effect, on their first day of work. Draxton will provide proof of transmittal to Mexico and include the dates in which they were conveyed to workers. Mexico will provide proofs of transmittal to the Office of the United States Trade Representative during the Course of Remediation. This will be completed by August 11, 2023.
4. 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. Draxton 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. Draxton 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.
5. Website with Materials
- a. Maintain a website for workers that allows workers to access the neutrality statements, company guidelines, collective bargaining agreement, training materials, and complaint mechanisms discussed in this plan. This would be in addition to any requirements to provide printed copies.

Mexico, through the authorities listed below, shall:

6. Transparency

- a. As soon as possible, the Ministry of Labor and Social Welfare (STPS) will inform company personnel of the reasons that led Mexico to determine there is an ongoing a denial of rights at the facility, as well as the scope and content of the Course of Remediation.
- b. The CFRL will order the union to be accountable for the administration of the union activities, in terms of the provisions of articles 358, 373, 378 and 390 Ter of the Federal Labor Law. Likewise, it will order the company and the union to guarantee the proper custody and confidentiality of the personal data of the workers, communicating the obligations and provisions that must be fulfilled in the handling of said information, in accordance with the provisions of the General Law of Transparency and Access to Public Information, as well as in the General Law on Protection of Personal Data in Possession of Obligated Subjects.

7. 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.
- a. 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.

8. Inspections and Sanctions

- a. The CFCRL or STPS will monitor the facility, including by conducting periodic inspections at Draxton's facility related to the obligations of this Course of Remediation and compliance with Mexican laws related to freedom of association and collective bargaining. STPS or CFCRL will share the results of this monitoring with the United States as well as with Draxton.
- b. If a union-related vote is scheduled at the facility, Mexico will visit the facility prior to any vote to ensure workers have awareness and the relevant documentation, including the CBA, in addition to ensuring compliance with all relevant obligations under law, including prohibitions on coercion, intimidation or misinformation intended to influence the outcome of a vote. The CFRL will also oversee and verify, with the consent of the competent labor court, the vote that said court orders for the titularidad process of the Collective Bargaining Agreement that may be carried out, in order to avoid acts of violence or coercion against workers and to guarantee the free exercise of the vote.

- c. STPS, in coordination with other authorities, will initiate sanctions 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.