



February
2020

SOCIAL COMPLIANCE: IT'S FAIR, IT'S SMART, IT'S PROFITABLE

CONTACT US: US +1-619-990-0101

International Compliance Group is pleased to offer a periodic highlight of news and articles on issues which may impact international trade, global supply chains, proposed legislation, retail, manufacturing, human rights and the environment and therefore your business.

While we celebrate our 20th anniversary, we would like to offer a special Thank You to all buyers and suppliers who have trusted us to audit their facilities, to a wide range of standards and codes of conduct, around the world. ICG was one of the first firms to offer social compliance audit services. In 1999 we started auditing and assisting a few clients in developing their Codes of Conduct and audit protocols. Today, our practice extends from South Africa to Canada and Ho Chi Minh City to Sao Paulo Brazil. Through our dedicated auditors we perform audits in over 50 countries, from Asia to the Americas. ICG is an APSCA member firm and our auditors are members of APSCA. ICG belongs to the SEDEX Stakeholder Forum, is a WRAP accredited monitoring firm, and an approved SLCP verification body. We look forward to continuing to work with you to ensure your supply chain supports your business and your growth, both ethically and legally, and in a manner which safeguards your hard-earned reputation.

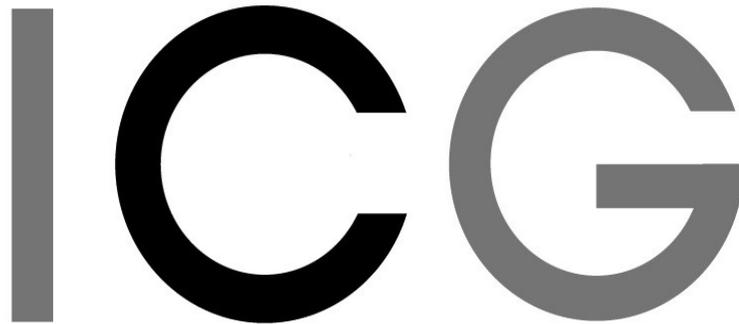
AMERICAS

Guatemala: Changes in Minimum Wage to Increase in 2020

For workers in non-agricultural, maquila and export activities, the minimum wage will increase by 3% this year in relation to what was paid in 2019.

Government agreement 320-2019, published in Diario de Centroamérica on December 30, 2019, specifies that the minimum monthly wage for agricultural activities will remain unchanged for the second consecutive year, and will continue at \$388.12.

The official document explains that the minimum monthly wage for non-agricultural



activities rose from \$355.69 in 2019 to \$366.42 in 2020, equivalent to a 3% increase. When the \$32.43 bonus is added, the payment will rise to \$398.85.

For maquila and export workers the increase in the monthly minimum wage was 2.93%, rising from \$325.31 in 2019 to \$334.86 in 2020. With the bonus of \$32.43, the total payment will be \$367.29.

Source:

https://www.centralamericadata.com/en/search?q1=content_en_le:%22salary%22&q2=mattersInCountry_es_le:%22Guatemala%22

Macy's to Close 29 Stores

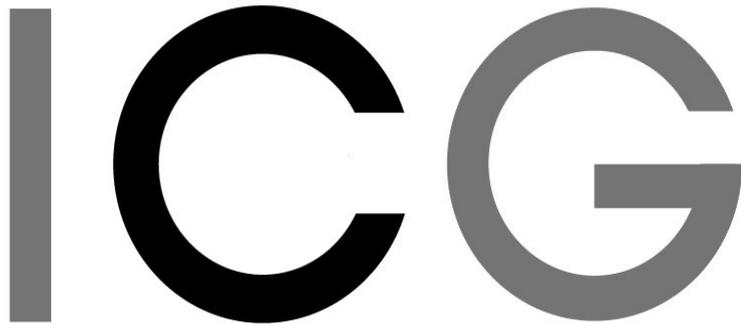
Due to ongoing softening in the brick-and-mortar retail sector, Macy's announced it will close 29 stores in an effort to balance sales and to offset the increase on online shopping.

Source: https://www.retaildive.com/news/macys-says-it-will-close-29-stores/570021/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Retail%20Dive%2001-11-2020&utm_term=Retail%20Dive%20Weekender

Shippers Pledge Not to Use the Northern Arctic Route

Nine major ocean shippers, excluding Maersk, have signed the Ocean Conservancy's Arctic Shipping Pledge indicating they will not use the Northern Sea Route out of concern for the environment. As the Arctic continues to melt and the sea lanes open, some carriers can save up to 40% in transit time compared to other routes.

Source: https://www.supplychaindive.com/news/sustainable-ocean-freight-kuehne-nagel-arctic/570257/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202020-01-13%20Supply%20Chain%20Dive%20%5Bissue:25113%5D&utm_term=Supply%20Chain%20Dive



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AI Shaves Cost and Time from Supply Chains

Manufacturing space and planning time are two big beneficiaries of using Artificial Intelligence according to a recent study by McKinsey & Co.

https://www.supplychaindive.com/news/manufacturing-supply-chain-cost-savings-AI/569868/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Supply%20Chain%20Dive%2001-11-2020&utm_term=Supply%20Chain%20Dive%20Weekender

Levi Strauss Grows with Hemp

Levi Strauss & Co. has developed a method to convert hemp fiber into one which has the softness and manufacturing properties of cotton. Growing hemp requires far less water, fertilizer and pesticides compared to cotton.

Source: <https://www.businessinsider.com/levis-investing-in-hemp-as-a-cotton-alternative-2019-5?fbclid=IwAR0wXMLXwHPo3YBUxryt5L1HLBwMwOBhGdT4DJak060XvTDa5IS6RMAKwbU>

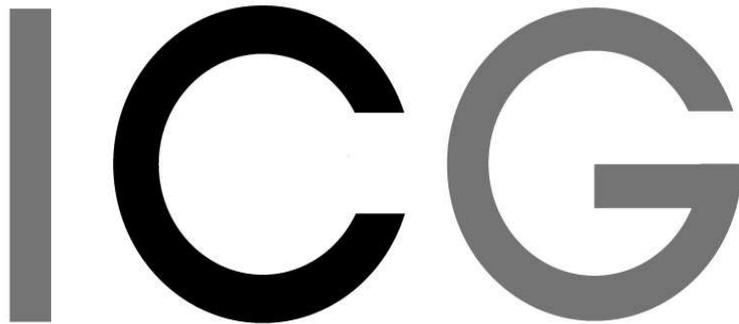
Hanesbrands Wins Second Carbon Disclosure Project Award

Hanesbrands has been participating in the CDP since 2010 and is one of only 82 companies in North America to earn a score of A-. In addition, HBI earned their 10th consecutive US Department of Energy Energy Star Award.

Source: <https://www.knittingtradejournal.com/circular-knitting-news/14013-hanesbrands-honoured-for-continued-environmental-stewardship>

Chipas Resident Designs Runways for US Fashion Week

The indigenous Tzotzil designs of Alberto Lopez Gomez were on full display at the American Indian Fashion Through the Feathers 2020 as part of New York Fashion Week in the borough of Staten Island. The line of men's and women's clothing, plus



household accessories of tablecloths and cushions, are made with the help of 150 women supporting Gomez. The line is called K'uxul Pok, which means living garment in the Mayan Tzotzil language.

Source: <https://mexiconewsdaily.com/news/chiapas-designs-on-the-runway-at-new-york-fashion-week/>

China and Costa Rica Sign Trade Agreement for More Efficient Trade

Costa Rica and China signed an action plan in order to further trade between the two countries on February 4, 2020. The agreement is designed to facilitate and smooth trade between the two countries will expedite and facilitate trade and strengthen relationships in customs and the private sector.

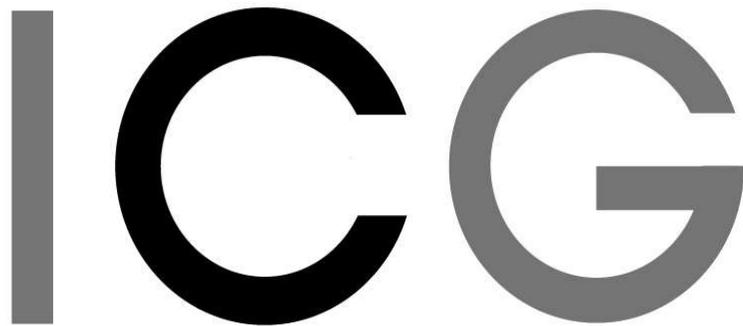
Source:

https://www.centralamericadata.com/en/article/main/More_Efficient_Trade_between_Costa_Rica_and_China?u=d1aa0be7e8e447b366306ad886608952&s=n&e=3&mid

Mexico-US Trade Up 0.5% to \$614.5 Billion

Mexico has moved ahead of Canada and China as the US's largest trading partner with 2019 trade totaling \$614.4 Billion. The balance of trade of \$101 Billion was in favor of Mexico, up 26% over 2018.

Source: <https://mexiconewsdaily.com/news/mexico-us-trade-breaks-record-at-us-614-5-billion-up-0-5/>



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ASIA

With the Chinese New Year and Tet Holidays, the and the Novel Coronavirus outbreak, the news has primarily been focused on the virus and the impact upon businesses, communities and citizens. As of the date of this newsletter, over 40,000 people have been confirmed with the virus and over 900 have died.

China businesses in Shanghai and Beijing will attempt to open but the big electronic supplier Foxconn was told by the government to stay closed. The number of businesses which will be able to open will depend upon how many workers return from the holiday or decide to stay away for fear of contracting the virus. The automotive sector is being hit hard as the short supply of parts is forcing some assembly plants to slow down or close, with Suzuki considering sourcing parts elsewhere for their India production, their largest.

Compliance Highlight

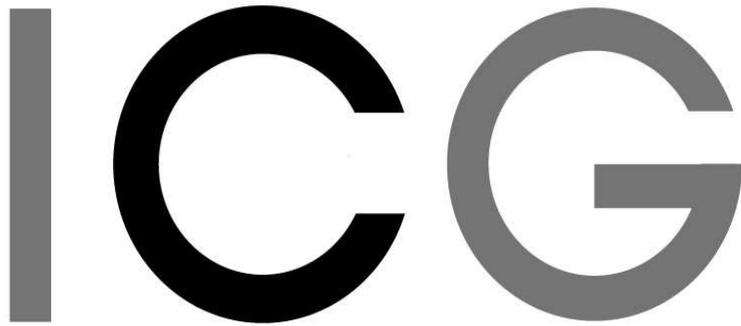
An Introduction to Sedex



Sedex is one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains. Sedex provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices, and source responsibly.

INTERNATIONAL COMPLIANCE GROUP. INC

www.humanrightscpliance.com



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Through Sedex Advance it provides a collaborative platform for buyers, suppliers and auditors to store, share and report on information quickly and easily. Sedex offers a tool for facilitating access to information and collaboration and does not audit and does not certify.

With 60,000 member companies in over 180 countries the Sedex platform is used extensively across multiple industries. SMETA, the audit protocol provided by Sedex, is accepted for Social Compliance audits by suppliers such as Walmart and Marks and Spencer. ICG is product to be associated with Sedex, through membership in the Sedex Stakeholder Forum, and by providing third party social compliance audits via the SMETA audit protocol.

Learn more about Sedex by visiting <https://www.sedexglobal.com/>

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About International Compliance Group

www.humanrightscpliance.com

International Compliance Group is a privately held US based organization focused on social compliance monitoring. Since 1999 our auditors around the world have supported Corporate Social Responsibility programs through third party audits. Our auditors leverage decades of combined experience in labor intensive industries to provide a unique, operationally relevant set of audit skills, treating social compliance as a business supporting activity and not a required checklist exercise. ICG is a WRAP approved monitor, member of the Sedex Stakeholder's Forum, member of APSCA and signatory of SLCP.

