**STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS**

<table>
<thead>
<tr>
<th>BENCHMARK</th>
<th>CALCULATION NOTES</th>
<th>SOURCE</th>
<th>MONTHLY VALUE (MXN)</th>
</tr>
</thead>
</table>
| **Legal Minimum Wage**           | • Before October 2015, Mexico had two different legal minimum wages depending on the geographical region. For Zone A (Tijuana), the legal minimum wage in 2015 was 70.10 Mexican pesos (MXN) daily.  
• The average paid days per month are 26.08, so the legal minimum wage is 70.10*26.08 = 1828.21 monthly  
• For Zone B (Querétaro, Durango, Yucatán), the legal minimum wage was 66.45 (from January 1 to March 31) and 68.28 (from April 1 to Sept 30) daily.  
• The monthly legal minimum wage for Zone B was 1733.02 from January 1 to March 31, and 1780.74 from April 1 to September 30.  
• However, since October 1, 2015 the whole country has only one legal minimum wage which is 70.10 daily and 1828.21 monthly. | SHCP 2015          | 1828.21             |

| **Industry/sector Wage Comparator Average Wages** | • Average wage in salary paid to manual and technical workers for December 2015: 7420  
• This figure does not include employer’s contribution to social security and social benefits. | INEGI (Statistics Institute 2015) | 7,420               |

**INCOME AND POVERTY BENCHMARKS**

<table>
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| **National Poverty Lines (2 consumption units, 1 earner)** | • Well-being line (Canasta alimentaria plus Canasta no alimentaria—the sum of the ‘food basket’ plus the ‘non-food basket’ which is similar to an ‘extended basket’): The Well-being line is composed of the following elements: i) The food basket; ii) Public transportation, iii) Personal care; iv) Housing and maintenance services; v) Glasswork and household utensils; vi) Culture, education, and recreation; vii) Communications and vehicle maintenance; viii) Clothing, shoes, and related accessories; ix) Healthcare; x) Cleaning and home healthcare; xi) Household goods and housing maintenance; xii) Recreation items, and xiii) Others.  
• In December 2015, the monthly value of the Well-being line per capita was 2679.31  
• Assume two consumption units: 5359 | CONEVAL 2015 | 5,359               |
## INCOME AND POVERTY BENCHMARKS

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<tbody>
<tr>
<td>World Bank 'international poverty line' (2011 PPP $3.10/day)</td>
<td>Poverty is measured by the World Bank at PPP$3.10/day. PPP $1.90 (in 2011 $PPP) per day per person represents the international ‘extreme poverty line’ for extremely poor countries. The $3.10 equivalent is ((8.02 \times 3.1) = MXN , 24.86). On a monthly basis, this is ((MXN , 24.86 \times (365/12)) = MXN , 756.22). Adjusted for inflation, this amount is ([116.78 \times (CPI , 2015)/113.59 \times (CPI , 2014)] \times MXN , 756.22) MXN 777.42/person/month. The household equivalent of MXN 777.42, assuming two consumption units and one earner is MXN 1,554.83/month.</td>
<td>WB 2011 ICP</td>
<td>1,554.83</td>
</tr>
<tr>
<td>Living Wage Estimate Minimum Constitutional Salary (3-member family)</td>
<td>Published in 2015, this estimate is based on a study conducted by the Salary Observatory of the Iberoamerican University of Puebla. The Minimum Constitutional Salary in Mexico is MXN 22,469.96 (monthly wage value). Minimum Constitutional Salary is calculated based on three components: Food Basket, Basic Food Basket, and Non-food Basket. The Food Basket includes raw food exclusively, while the Basic Food Basket includes raw food plus the costs of cooking, consuming, and keeping food. The Non-food Basket refers to the following 12 elements: i) Personal care; ii) Housing and maintenance services; iii) Glasswork and household utensils; iv) House keeping items; v) Leisure items; vi) Culture, education and recreation; vii) Communications; viii) Clothing, shoes and related accessories; ix) Holiday celebrations; x) Transportation; xi) Healthcare, and xii) Cleaning and home healthcare. The Food Basket was estimated to be MXN $6,025.2; the Basic Food Basket value reached MXN $6,563.14, and the Non-food Basket was MXN $9,881.62 (all are monthly estimations). The total value of the three components is 22,469.96. The estimate assumes a worker coming from a three-member family with ages between the range of 12 to 64 years old.</td>
<td>Observatorio de Salarios</td>
<td>22,469.96</td>
</tr>
</tbody>
</table>
COMPENSATION COMPARISON ACROSS FACTORIES
MEXICO  Currency: Peso (MXN)

- **Minimum Constitutional Salary [3-member family]**: 22,469.96
- **WRC / CAP Living Wage Reference [1 adult, 2 children, and 1 earner]**: 9,021
- **Average Wage [INEGI 2015]**: 7,420
- **National Poverty Line [2 consumption units and 1 earner](net)**: 5,359
- **World Bank ‘international poverty line’ (2011 PPP$ 3.10 / day) [3 consumption units and 1 earner](net)**: 2,332.25
- **Legal Minimum Wage [Factory 2, 4, 5]**: 1,828.21
- **Legal Minimum Wage [Factory 3]**: 1,780.74
- **Legal Minimum Wage [Factory 6]**: 1,733.02
- **World Bank ‘international poverty line’ (2011 PPP$ 3.10 / day) [2 consumption units and 1 earner](net)**: 1,554.83
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS
MEXICO (1)  Currency: Peso (MXN)

Specific wage levels have been obscured in an abundance of caution to avoid the potential disclosure of information that may be competitively sensitive.

Living Wage Estimate, Minimum Constitutional Salary: 22,469.96
WRC/CAP Living Wage Reference: 9,021
Average Wage [INEGI 2015]: 7,420
National Poverty Line (net): 5,359
World Bank ‘international poverty line’ (2011 PPP $3.10 / day) [3 consumption units and 1 earner](net): 2,332.25
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS
MEXICO (2)  
Currency: Peso (MXN)

- Living Wage Estimate, Minimum Constitutional Salary: 22,469.96
- WRC /CAP Living Wage Reference: 9,021
- Average Wage [INEGI 2015]: 7,420
- National Poverty Line (net): 5,359
- World Bank ‘international poverty line’ [3 consumption units, 1 earner](net): 2,332.25
- Legal Minimum Wage: 1828.21
- World Bank ‘international poverty line’ [3 consumption units, 1 earner](net): 1,554.83

Gross Compensation includes Basic Contracted Wage, Cash Benefits, and In-kind Benefits. Net compensation subtracts Legal Deductions and Taxes.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Net Compensation</th>
<th>Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen. Assistant</td>
<td>3219.6</td>
<td>3363.92</td>
</tr>
<tr>
<td>Manual</td>
<td>2867.23</td>
<td>3013.55</td>
</tr>
<tr>
<td>Operator</td>
<td>3410.96</td>
<td>3468.6</td>
</tr>
</tbody>
</table>

OCCUPATION

- Basic Contracted Wage
- Cash Benefit
- In-Kind Benefit
- Incentives
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS
MEXICO (3)  
Currency: Peso (MXN)

Gross Compensation includes Basic Contracted Wage, Cash Benefits, and In-kind Benefits. Net compensation subtracts Legal Deductions and Taxes.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Net Compensation</th>
<th>Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation 1</td>
<td>3848</td>
<td>3986.29</td>
</tr>
<tr>
<td>Occupation 2</td>
<td>7000.29</td>
<td>7783.32</td>
</tr>
<tr>
<td>Occupation 3</td>
<td>4836.02</td>
<td>5007.16</td>
</tr>
<tr>
<td>Occupation 4</td>
<td>13213.59</td>
<td>16166.38</td>
</tr>
</tbody>
</table>
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS
MEXICO (4)  Currency: Peso (MXN)

Living Wage Estimate, Minimum Constitutional Salary: 22,469.96
WRC/CAP Living Wage Reference: 9,021
Average Wage [INEGI 2015]: 7,420
National Poverty Line (net): 5,359
World Bank ‘international poverty line’ [3 consumption units and 1 earner](net): 2,332.25
Legal Minimum Wage: 1828.21
World Bank ‘international poverty line’ [2 consumption units and 1 earner](net): 1,554.83

Gross Compensation includes Basic Contracted Wage, Cash Benefits, and In-kind Benefits. Net compensation subtracts Legal Deductions and Taxes.

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<thead>
<tr>
<th>Occupation</th>
<th>Net Compensation</th>
<th>Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator</td>
<td>5293.03</td>
<td>5321.6</td>
</tr>
<tr>
<td>Warehouse</td>
<td>6238.49</td>
<td>6454.68</td>
</tr>
<tr>
<td>Cutting/Printing</td>
<td>5931.2</td>
<td>6049.42</td>
</tr>
<tr>
<td>QC</td>
<td>6347.47</td>
<td>6575.97</td>
</tr>
</tbody>
</table>

Bar Chart:
- Occupation: Operator (88.71%), Warehouse (6.55%), Cutting/Printing (3.39%), QC (2.26%)
- Compensation Range: 0 - 25000
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS
MEXICO (5)  Currency: Peso (MXN)

- Living Wage Estimate, Minimum Constitutional Salary: 22,469.96
- WRC/CAP Living Wage Reference: 9,021
- Average Wage [INEGI 2015]: 7,420
- National Poverty Line (net): 5,359
- World Bank ‘international poverty line’ (2011 PPP $3.10 / day) [assuming 3 consumption units and 1 earner](net): 2,332.25
- Legal Minimum Wage: 1733.02

Gross Compensation includes Basic Contracted Wage, Cash Benefits, and In-kind Benefits. Net compensation subtracts Legal Deductions and Taxes.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Net Compensation</th>
<th>Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewing</td>
<td>5795.76</td>
<td>5812</td>
</tr>
<tr>
<td>Finishing</td>
<td>5181.76</td>
<td>5198</td>
</tr>
<tr>
<td>Packing</td>
<td>5085</td>
<td>5085</td>
</tr>
<tr>
<td>Ironing</td>
<td>5893.77</td>
<td>5910</td>
</tr>
</tbody>
</table>

Basic Contracted Wage
Cash Benefit
In-Kind Benefit
Incentives
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS
MEXICO (6)  Currency: Peso (MXN)

- Living Wage Estimate, Minimum Constitutional Salary: 22,469.96
- WRC /CAP Living Wage Reference: 9,021
- Average Wage [INEGI 2015]: 7,420
- National Poverty Line (net): 5,359
- World Bank ‘international poverty line’ [3 consumption units and 1 earner](net): 2,332.25
- Legal Minimum Wage: 1733.02
- World Bank ‘international poverty line’ [2 consumption units and 1 earner](net): 1,554.83

Gross Compensation includes Basic Contracted Wage, Cash Benefits, and In-kind Benefits. Net compensation subtracts Legal Deductions and Taxes.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Net Compensation</th>
<th>Gross Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Varias</td>
<td>5013.93</td>
<td>5189.045</td>
</tr>
<tr>
<td>Embroidery</td>
<td>6267.72</td>
<td>7010</td>
</tr>
<tr>
<td>QC</td>
<td>4492.03</td>
<td>46.11.275</td>
</tr>
<tr>
<td>Finishing</td>
<td>5296.06</td>
<td>5581.79</td>
</tr>
</tbody>
</table>

OCCUPATION

- Basic Contracted Wage
- Cash Benefit
- In-Kind Benefit
- Incentives