

FLA Audit Profile	
Country	HONDURAS
Factory name	290029392E
IEM	ALGI
Date(s) in facility	OCTOBER 12th and 13thm 2006
PC(s)	Gildan
Number of workers	1378
Product(s)	SPORTSWEAR
Production processes	MANUFACTURING

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				[Status] Completed, Pending, On-going
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	
<b>1. Code Awareness</b>													
<b>2. Forced Labor</b>													
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise													
<b>3. Child Labor</b>													
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.													
<b>4. Harassment or Abuse</b>													
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.													
<b>5. Nondiscrimination</b>													
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.													
<b>6. Health and Safety</b>													
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities													
Ventilation/Electrical/facility maintenance		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste. All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Although facility has purchased additional ventilation systems to minimize heat stress. Employees complained about excessive heat during summer season.				Visual observations.	On Nov. 05 (Company) installed 2 new units. On Sept. 06, 2 coils were installed for units 3 and 8 and on Oct. 06 pipes in air unit #5 were expanded.	We ordered the necessary equipment in October 2006 and another coil will be installed another coil for air unit #5 in December.		Up to now and since the date of the audit, a total of 6 coils have been replaced and a new air conditioning unit was installed on Feb. 16.2007. With these measures, the whole revision of the air conditioning system has been completed.	<b>Sept.3.07</b> It was determined by the park that the air conditioner unit was too old. The park decided to change it for a newer one. The temperature inside the production floor has been monitored on June 28, August 6, and September 3, 2007 by the internal CSR monitor, finding it to be under the standard limit.	Completed
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Although, facility has engaged an external firm to analyze the air quality (with acceptable rate standards), employee interviews and monitor observation revealed accumulation of lint on workers bodies and clothing.				Visual observations.	Internal lint measurements are acceptable in standards = 1.47 mg/m3 (Std 3 mg/m3)	External evaluation is programmed in 2007.		Even though according to our internal lint measurements, [factory] is under acceptable parameters two independent firms have been contacted to perform an external evaluation of the levels of lint. Their proposals are being evaluated.	<b>July.1.07</b> The Health and Safety Regional Manager will get a quote on a monitoring test for particulates.	on-going
<b>7. Freedom of Association and Collective Bargaining</b>													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining													
<b>8. Wages and Benefits</b>													
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits													
Payment of Legal Benefits	<b>Art 339</b> states that holiday must be compensated computing the average of regular plus overtime earned during the immediate preceding week. <b>Art. 340</b> states that if a holiday is worked, the payment must be at 200% over the regular rate and must receive an additional day off.	Legally mandated benefits will be provided or paid in full within legally defined time periods	Holiday pay is required to be calculated as an average (regular + overtime) from the preceding week. [Factory] calculated the Oct 2005 holiday from a non-corresponding week. The selected week chosen for the calculation was lower than the corresponding week, resulting in a lower payment for a number of employees.				Interview of employees and review of payroll ledgers.		Holiday for Oct. 06 was calculated with the average of regular working hours plus overtime earned during the immediate preceding week as mandated by law, this information is available for further verification.			<b>Sept.3.07</b> Internal CSR monitor verified on this visit that the payment for the workers of the group A, who were off during the corresponding days to the 3 holidays of October 2005, was calculated correctly	completed

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Legal Compliance for holiday/leave	According to <b>Art. 348</b> (Honduras Labor Law), the worker should not work while on vacation. Employees with 2 years of service are entitled to 12 days of vacation; employees with 3 or more years of service are entitled to 15 days.	Workers will be paid for holidays and leave as required by law	Although vacations are paid in full, the requirement of not working on these days is not fully practiced at [factory]. There is a policy of collective vacation by which all workers have approximately 10 days off in December. This practice violates local regulations for employees who have more than one year in service and whose accumulated right to time off is more than 10 days.				Employee / management interviews and review of vacation ledger.		A workers consultation took place with the presence of an inspector of the Ministry of Labor. All workers were informed of their right to take certain days of vacations depending on their seniority. Knowing that, each worker took his/her own decision either to work the additional days of vacation or rest. The facility has the copy of the agreement that was validated by the Ministry of Labor and a written copy of the individual decision made by each worker.			<b>Sept. 3.07</b> Internal CSR monitor verified the Statement signed by employees' representatives and the company that was validated by the Ministry of Labor and the individual statement signed by each of the employees.		completed
<b>9. Hours of Work</b>														
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period														
<b>10. Overtime Compensation</b>														
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist at a rate at least equal to their regular hourly compensation rate.														
<b>Miscellaneous</b>														