

FLA Audit Profile

Factory Code	290029957G
Country	Honduras
FLA Affiliate	Gildan
Monitor	ALGI
Audit Date	November 17-18, 2008
Products	Fleece fabric
Processes	Manufacturing
Number of Workers	1139



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Wages, Benefits and Overtime Compensation: A. Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/17/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: During the revision of 2007 vacation payroll, the facility paid two additional holidays in advance. December 25, 2007 and January 1, 2008 were paid based on the average of the past 6 months. However, Labor Law Article 339 establishes that the payment must consider the average of working hours of the immediate preceding week. Facility was not aware of the holiday payment requirements with the average of working hours of the immediate preceding week. Document Review Honduras Labor Law Article 339 establishes that the payment must consider the average of working hours of the immediate preceding week.

Plan Of Action: The facility will change the calculation formula for the December and January holiday in the payroll system in order to take the average of the immediate previous week when calculating paid holiday and vacations. The correction will be reflected in December 2009.

Deadline Date: 05/29/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: Feb. 13, 2009: The facility is at this point upgrading the payroll system.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Harassment or Abuse: C. Discipline/Review of Disciplinary Action

H&A.3 The disciplinary system shall include possibilities for workers to have disciplinary action imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action. In addition, such a system shall include the ability of a worker to appeal and/or question any disciplinary action against him or her and/or have a third party of his or her choice present when the disciplinary action is being imposed. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/17/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: The discipline process and policy do not provide workers an opportunity to reply, challenge or make appeals against termination. The facility was not aware an appeal procedure should be included in their policy. Documents review and management interview

Plan Of Action: The facility will revise its disciplinary policy to include the means for

terminated workers to appeal or question a termination action and to be reviewed by a higher managerial position. Revised policy will be communicated to the entire workforce.

Deadline Date: 03/27/2009
Supplier CAP:
Supplier CAP Date:
Action Taken: Feb. 13, 2009: The facility has collected guidelines to put in writing.
Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: R. Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/17/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: 20 out of 20 sewing machines inspected do not have the necessary safety devices and guards (e.g. eye guard). The Controller Feeder water at the cafeteria area does not have a protective guard. These findings are in the facility's health and safety program of activities yet to be completed. Factory Tour Honduran Law and Regulations. Preventive Requirements. Accident. Illness. Article 89

Plan Of Action: The facility will install the safety devices in the sewing machines. A guard will be installed to protect the Controller Feeder in the cafeteria.

Deadline Date: 02/27/2009
Supplier CAP:
Supplier CAP Date:
Action Taken: Feb. 13, 2009: The facility has already installed needle guards on 80% of sewing machines. The facility has now completed the quoting process for the installation of a protective guard around the Controller Feeder located in the dining area of the cafeteria.

Plan Complete:
Plan Complete Date:
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: W. Toilets

H&S.23 Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/17/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: The chemical area does not have an adequate shower for the employees who use chemical products. These findings are in the facility's health and safety program of activities yet to be completed. Factory Tour Honduran Law and Regulations. Preventive Requirements. Accident. Illness. Article 382

Plan Of Action: The company will complete the health and safety program that includes plans to build a private shower for the employees that work with chemicals.

Deadline Date: 03/16/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: Feb. 13, 2009: The facility has now completed the quoting and approval process to build a private shower that will be available for employees who handle chemicals.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: M. Public Holidays

HOW.13 Employers shall provide workers with all official public holidays as required under local laws, regulations and procedures. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
11/17/2008	External	FLA Independent External Monitoring	ALGI	1 (out of 5)

Explanation: Because of the 4x4 schedule, employees who are on off days during a holiday are not appropriately compensated. As per Honduran Law, these employees should be paid for the non-worked holiday at the rate of the average of the immediately preceding week's wages. Payroll review proved this was not occurring. Facility was not aware of the requirement to compensate for holidays when the employees are on a 4X4 shift. According to management, this point will be considered with the Labor Secretariat. Document Review Honduran Labor Law, Article 339, Employers must pay the holidays or national holiday such as: January 1, April 14, May 1, September 15, October 3, October 12, October 21 and December 25, even if falling on Sunday; Holy Week (Thursday, Friday and Saturday).

290029957G – Honduras: Gildan

Plan Of Action: The company will present this point to be considered with the Labor Secretariat.

Deadline Date: 03/27/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: March 31, 2009: The finding is currently being analyzed by Human Resources and Labor Relations departments at the regional level.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:
