

FLA Audit Profile		
Country	HONDURAS	HONDURAS
Factory name	290029392E	290029392EV
IEM	ALGI	ALGI
Date(s) in facility	October 12-13, 2006	November 13-14, 2008
PC(s)	Gildan	Gildan
Number of workers	1378	3800
Product(s)	SPORTSWEAR	SPORTSWEAR
Production processes	MANUFACTURING	MANUFACTURING

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						Remediation				[Status]	Third-Party Verification		Company Verification Follow up			
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (unsubstantiated)	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)		Documentation	Completed; Pending; Ongoing	External Verification November 13-14, 2008	Documentation	Company Follow up February 2, 2009	Documentation
1. Code Awareness																			
2. Forced Labor																			
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or																			
3. Child Labor																			
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																			
4. Harassment or Abuse																			
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																			
5. Nondiscrimination																			
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.																			
6. Health and Safety																			
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/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 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.	Sept. 3, 2007 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	Corrected: During the facility tour and employee interviews, it was noted that the air conditioning system is new and works properly.	Factory walkthrough and employee interviews			
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.	July 1, 2007 The Health and Safety Regional Manager will get a quote on a monitoring test for particles.	Completed	Corrected: The facility has conducted monitoring activities to control particle material analysis; these tests are performed on a monthly basis complying with OSHA PNOR: 15mg/m3. Furthermore, during employee interviews and facility tour it was noted that the facility provides mouth masks to employees.	Factory walkthrough and employee interviews			
H&S9 Evacuation Requirements and Procedure	Law and Regulations. Preventive Requirements. Accident. Illness. Article 216	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.												Pending	New Findings: 1. The facility does not have a fire alarm system in place. 2. The facility has not conducted an evacuation fire drill in the new building.	Facility walkthrough and document reviews	Corrected: 1) The fire alarm system has been installed. Corrected: 2) The facility performed fire drills on 25-Nov-08 and 29-Nov-08	1) Facility walkthrough (observation) and testing 2) Document review	
7. Freedom of Association and Collective Bargaining																			
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																			
8. Wages and Benefits																			
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	Art. 339 states that holiday must be compensated computing the average of regular plus overtime earned during the immediate preceding week. Art. 340 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.			Sept. 3, 2007 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	Corrected: During the payroll reviews from the holiday (September 15, 2008; October 12, 2008; May 1, 2008; and March 20-21, 2008) it was noted that the facility paid all holidays calculated as an average (regular + overtime) from the preceding week.	Documents review and employee interviews			
Legal Compliance for holiday/leave	According to Art. 348 (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.			Sept. 3, 2007 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	Corrected: For the 2007 paid vacation, employees received 10 days during the period from December 21, 2007 to January 2, 2008; however Labor Secretary, facility and workers agreed and were authorized to pay the rest of vacation days to the employees who have been working for more than a year according to the law and policy of collective vacation. The authorization of Labor Secretary No. 6884 on December 12, 2007 in accordance with the Human Resources Manager and worker representatives of [factory] was accepted by all parties.	Documents review and employee interviews			
Payment of Legal Benefits	Art. 339 states that holiday must be compensated computing the average of regular plus overtime earned during the immediate preceding week. Art. 340 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.												Pending	New Finding: During the revision of payroll for 2007 vacation, the facility paid additional two holidays in advance, December 25, 2007 and January 1, 2008 were paid based on the average of work hours of week No.41 (November 26-December 1, 2007) which occurred three weeks before. However, Labor Law Article 339 establishes that the payment has to be done considering the average of working hours of the immediate preceding week; in this case it should be week No.44 (December 17-22, 2007).	Documents review and employee interviews	Completed: The holiday of 25-Dec-08 and 1-Jan-09, have been paid based on the average salary of the previous week worked.	Verified through payroll review	
9. Hours of Work																			

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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																		
10. Overtime Compensation																		
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.																		
Miscellaneous																		