2011

Fair Labor Association
Independent External Monitoring Report

COMPANY: Landau Uniforms, Inc.
COUNTRY: Honduras
FACTORY CODE: 1310019550J
MONITOR: GMIES
AUDIT DATE: October 10 – 11, 2011
PRODUCTS: Medical Uniforms
PROCESSES: Downloading Fabric, Cutting, Sewing (Includes Stain Removal and Quality Inspection), Packing, Exporting
NUMBER OF WORKERS: 654

FLA Comment: This report was submitted to the FLA and the FLA-affiliated company by the accredited independent external monitor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to and reviewed by the FLA.

For an explanation on how to read this report, please visit the FLA website here.

FAIR LABOR ASSOCIATION

CONTENTS:

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses _____3
Harassment or Abuse: Discipline/Review of Disciplinary Action _____4
Code Awareness: _____5
Health and Safety: Health and Safety Management System _____6
Health and Safety: Evacuation Requirements and Procedure _____7
Health and Safety: Safety Equipment and First Aid Training _____8
Health and Safety: Personal Protective Equipment _____9

FAIR LABOR ASSOCIATION

Wages, Benefits and Overtime Compensation: 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)

Noncompliance

Explanation: It is important to mention that factory pays vacation to all employees. However, factory is not granting all employees all the resting days that labor law requires. It is a factory practice to grant a 10-day vacation each year to all employees. However, Article 346 of Code of Labor establishes that employees who have more than 3 years at the workplace must be granted 15 days of vacation; employees who have more than 4 years must be granted 20 days of vacation. Factory argued that all employees renew their employment agreement year after year, and for this reason, they are considered new employees. However, Article 47 of Code of Labor claims that a) all employment agreements related to activities which are permanent will be considered of indefinite duration and b) the beginning of the length of service will be calculated since the beginning of the labor relationship, regardless of the date the employment agreement was signed. Consequently, factory must respect the seniority of the employees who have worked at the factory for more than 3 years in order to provide them the legal vacation period they are entitled to.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Harassment or Abuse: 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)

Noncompliance

Explanation: Disciplinary system does not include the ability of a worker to appeal and/or question any disciplinary action against them. There is also no opportunity to have a third party present when the disciplinary action is being imposed.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Code Awareness:

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Noncompliance

Explanation: Despite the fact that the company's Code of Conduct (COC) is posted in Spanish, 100% of workers interviewed assured that the company's COC is not explained. There is no documentary evidence showing that management has accomplished the compulsory requirement of informing employees about its standards.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Health and Safety: Health and Safety Management System

H&S.5 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which employers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns and procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed. (P)

Noncompliance

Explanation: Factory health and safety system does not include employers' responsibilities and workers' rights and duties. Factory does not have specialized personnel in charge of health and safety issues. It is necessary that factory checks with experts on these topics, who also ensure workers' participation and health and safety issues; factory has not granted that.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Health and Safety: Evacuation Requirements and Procedure

H&S.9 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. (S)

Noncompliance

Explanation: Recommended elements for a safe evacuation are missing at the facilities:

1. In Buildings 2 and 3 there were 2 emergency exits found locked.

2. Building 3 only has 2 emergency doors available. Employees who stay at the rear of this building do not have any accessible escape in case of emergency. From observation tour, it was corroborated that the only door at the rear of the warehouse was also locked.

Honduran General Rules about Preventive Measures require that emergency exits should be 1.8 meters long and must open double-blades door when there are more than 50 workers using them. However, Buildings 1 and 2 have more than 50 employees and emergency exits are less than 1.8 meters long and without double-blades doors.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: Despite the fact that there is a clinic in Area 2 of Building 1, it is always necessary to have first aid kits for production lines that are not near the clinic. However, 3 first aid kits in Buildings 1 and 2 were found locked without a photo of the employees in charge of holding the keys. This constitutes an obstacle to have first aid kit elements promptly in case of emergency. Besides, in Building 2, the worker in charge of the key was not near the first aid kit.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal 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 health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: Employees performing stain-removal tasks are exposed to several risks:

1. They do not have appropriate personal protective equipment (PPE). From observation tour, it was corroborated that these employees do not use any masks to protect their eyes and face, even when the material safety data sheets (MSDS) of Blow&Out (stain removal chemical) requires them, in order to prevent damages like irritations. It is important to mention that, employees do not perform these tasks permanently. Every day, each line chooses a worker who will be in charge of cleaning the cloth. It implies that employees may be exposed to Blow&Out, on average, from 20 minutes up to 2 hours per day. However, even when time of exposure is not too long, there is always a risk to the employee's health. Factory only provides masks to workers, but from observation tour, it was corroborated that they do not use them. They also need to have adequate PPE to protect their eyes, and factory does not provide such PPE.

2. Eye wash system that factory has for employees at stain removal area is ineffective, because it is contaminated with the rest of the stain removal chemicals. In consequence, employees might get injured if they use this plastic tube to wash their eyes.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date: