The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- **An exhaustive assessment of factory conditions**

  Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory’s conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- **A pass or fail evaluation**

  The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory’s working conditions.

- **A one-time event**

  Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.
Note on Language
Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers’ identities, we have replaced the numbers with generic wording in brackets (i.e. “[some]”, “[worker interviews revealed that]”, etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA’s efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing
The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select “legal” size paper from Print properties.
**FLA Audit Profile**

**Country**: Honduras  
**Factory name**: 28002910DALGI  
**EM**: ALGI  
**Date(s) in facility**: September 22, 23, and 24, 2005  
**POC**: V.F. Corporation  
**Number of workers**: 2383  
**Product(s)**: Knits  
**Production processes**: Sampling, cutting, knitting, dying, sewing, QC, washing and packing

| FLA Code/Compliance Issue | Country Law/Legal Reference | FLA Benchmark | Non-compliance | Risk of Non-compliance | Evidence of Non-compliance (uncorroborated) | If Not Corroborated, Explain Why | Sources/Documentation Used for Corroborating | Remediation Plan | Target Completion Date | Company Follow-up | Documentation | Company Follow-up |
|---------------------------|----------------------------|---------------|---------------|------------------------|---------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|---------------------|-----------------|------------------|

**FLA Principle of Monitoring, Obligation of Companies**

Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local language spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

**Non-compliance:**
- Company has provided a Code of Conduct in the language spoken by workers. The company has also communicated code obligations directly to management, but not to the workforce.

**Evidence of Non-compliance (uncorroborated):**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**If Not Corroborated, Explain Why:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Sources/Documentation Used for Corroborating:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Remediation Plan:**
- Factory will provide a Code of Conduct giving employees line identification and a local hotline for reporting non-compliance during weekly departmental meetings.

**Target Completion Date:**
- March 2006

**Company Follow-up:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Non-compliance:**
- Factory provides enhanced open door process by utilizing employee relations coordinators and weekly round table. V.F. Corporation (B Licensee) does not have a confidential non-compliance reporting system in place.

**Evidence of Non-compliance (uncorroborated):**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**If Not Corroborated, Explain Why:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Sources/Documentation Used for Corroborating:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Remediation Plan:**
- Factory provides a confidential non-compliance reporting system in place

**Target Completion Date:**
- March 2006

**Company Follow-up:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Non-compliance:**
- V.F. Corporation has not put in place a confidential non-compliance reporting mechanism for the workers. Audit team did not observe a hotline in the workplace or any other type of mechanism.

**Evidence of Non-compliance (uncorroborated):**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**If Not Corroborated, Explain Why:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Sources/Documentation Used for Corroborating:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Remediation Plan:**
- Factory provides a confidential non-compliance reporting system in place

**Target Completion Date:**
- March 2006

**Company Follow-up:**
- Management interview; 2. Workers interview; 3. Visual verification on Code of Conduct

**Non-compliance:**
- During lunch taken by audit team on September 23rd and 24th at [factory] cafeteria, it was observed on two separate occasions that at least 15 male workers were verbally abused by their supervisors. The supervisors were heard to yell, scream, and threaten workers. Audit team did not observe any violence in the workplace or any other type of violations.

**Evidence of Non-compliance (uncorroborated):**
- Audit team visual verification; 2. Employee in question interview

**If Not Corroborated, Explain Why:**
- Audit team visual verification; 2. Employee in question interview

**Sources/Documentation Used for Corroborating:**
- Audit team visual verification; 2. Employee in question interview

**Remediation Plan:**
- Human Resources has targeted individual employees who have exhibited less than appropriate behavior and reminded them to maintain a professional and respectful manner. Ongoing enforcement is to be covered in the weekly departmental meetings along with other code items. It is noted that the workforce is 90% male.

**Target Completion Date:**
- Ongoing

**Company Follow-up:**
- Human Resources has targeted individual employees who have exhibited less than appropriate behavior and reminded them to maintain a professional and respectful manner. Ongoing enforcement is to be covered in the weekly departmental meetings along with other code items. It is noted that the workforce is 90% male.

**Non-discrimination**

**Non-compliance:**
- No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or reinstatement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

**Evidence of Non-compliance (uncorroborated):**
- Audit team visual verification; 2. Employee in question interview

**If Not Corroborated, Explain Why:**
- Human Resources has targeted individual employees who have exhibited less than appropriate behavior and reminded them to maintain a professional and respectful manner. Ongoing enforcement is to be covered in the weekly departmental meetings along with other code items. It is noted that the workforce is 90% male.

**Sources/Documentation Used for Corroborating:**
- Audit team visual verification; 2. Employee in question interview

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**Target Completion Date:**
- Ongoing

**Company Follow-up:**
- Human Resources has targeted individual employees who have exhibited less than appropriate behavior and reminded them to maintain a professional and respectful manner. Ongoing enforcement is to be covered in the weekly departmental meetings along with other code items. It is noted that the workforce is 90% male.
The workers were provided with 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.

### Health and Safety

#### Ongoing

- **Workers’ Health**: The workers were provided with 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. The safety training involved the education of the workforce on the safe use of chemicals and other hazardous substances.

- **PPE**: Workers shall wear appropriate protective equipment such as gloves, eye protection, hearing protection, respiratory protection, etc., to prevent possible exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous materials including materials waste.

- **Chemical Management**: All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.

- **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.

#### Non-compliance

- **Ventilation**: Five employees in the stain removing station were observed using basic stain removing agent (PK3) without ventilation. Audit team observed that over 30% of employees who work standing do not have mats. The workers were provided with PPE but the plant still requires to improve ventilation management will continue to improve ventilation management will continue to improve ventilation.

- **PPE**: The walls are well ventilated (high ceilings, exhaust fans). Any will be too noisy in the type of equipment being used. Factory provides rests areas to allow workers to have breaks. (Note: risks are listed in order of severity).

- **Machinery**: Employees are not allowed to use the elevator. A 4.4 for caging units indicates the proper usage. Policy guards have been installed. Elevators guards continue to be a issue. Factory will conduct complete review and retraining as necessary. Regarding the fire prevention manual it is only to be used for moderate severity to This sector safety guidelines is written on a tag in this area.

#### Non-compliance Risk of Non-compliance Evidence of Non-compliance (uncorroborated)

- **Safety Equipment**: Safety equipment is required to be available to workers and management 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. Factory will conduct complete review and re-install as necessary. Regarding the elevator, employees were told orally the elevator is only to be used for materials movement. This same safety guideline is written on a sign in this area.

- **PPE**: Training in the workplace department: employees are trained in the safe use of chemicals and other hazardous substances.

- **Chemical Management**: No chemicals are properly stored. Currently, there is no evidence of non-compliance.

- **Ventilation/Electrical/Facility Maintenance**: No 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.

- **Machinery**: No machinery is properly stored. Currently, there is no evidence of non-compliance.

#### UPDATES

- **Ongoing**: 100 fatigue mats have been purchased.

- **Follow-up**: Painting lines is constantly in process. One main aisle in the dye department was found obstructed with containers.

- **Compliance**:
  - **Factory Nurses to check all first aid kits twice weekly**. (Inventory’s taken and expiration dates checked).
  - **Factory houses to check all first aid kits bi-annually**. (Inventory’s taken and expiration dates checked).
  - **Factory teams to check all chemical containers are labeled and also there is a detailed spill response plan. Workers are trained and know how to identify each product. MSDS is available**.
  - **Factory maintains 10 MSDS manuals**.
  - **Factory supervises engineering and maintenance to check chemical containers are labeled and also there is a detailed spill response plan. Workers are trained and know how to identify each product. MSDS is available**.

#### FLA Code/Compliance Issue Country Law/Legal Reference FLA Benchmark

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Freedom of Association and Collective Bargaining

Employees shall not discriminate against workers who seek to exercise their right to organize and bargain collectively.

Discrimination

The employer will not discriminate against workers who seek to exercise their right to organize and bargain collectively.

Non-compliance

Employers will provide all legally mandated benefits to all eligible workers. Employees have the right to request time off for any sick or family emergency that may occur.
### Overtime Limitations

**Art. 333 (Overtime):** Overtime is regulated under the following conditions: same employee can work overtime more than 4 times during the same week. Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 60 hours per week and 12 hours overtime or (b) the limits on regular and overtime work set forth 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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or already addressed by earlier management efforts.

### Non-compliance

Non-compliance: Although [factory] policy and procedures is to request all employees to log their hours of work, at least on two occasions in the maintenance department on the 6th and 7th day. The 6th day work was observed recorded on time records, but the 7th was missing. This isolated condition increased the hours worked by mechanics over 60 per week. This information was provided by an employee who worked on these two days and confirmed by maintenance supervisor.

1. Management Interview. 2. Workers interview. 3. Supervisor interview. 4. Maintenance personnel.

### Remediation

During the plant shutdown, maintenance personnel are asked to work the maximum hours possible. This is done as a once yearly opportunity to conduct work which is only possible when the regular workers are not present. Maintenance personnel can take their vacation days throughout the year.

### OT Compensation

**Art. 330 (Overtime):**

All hours worked in excess of the normal work schedule (8 hours per day) are considered overtime and should be compensated at rates (25%, 50% or 75% higher over the regular rate). The factory shall comply with applicable law for premium rates for overtime compensation.

1. Wage level determines if an employee will be entitled for overtime compensation. There is no written policy. Employees earning more than 5000 Lempiras will not received overtime compensation. 2. Management interview; 3. Payroll reviews; 4. Management sheet provided regarding the 5000 Lempira brake down.

### Miscellaneous

10. Overtime Compensation

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rates as are legally required; it is 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.

**OT Compensation**: All hours worked in excess of the normal work schedule (8 hours per day) are considered overtime and should be compensated at rates (25%, 50% or 75% higher over the regular rate).