COMPANY: Hanesbrands, SanMar
COUNTRY: Honduras
FACTORY CODE: 720229206H
MONITOR: Accordia Global Compliance Group
AUDIT DATE: November 9, 2009
PRODUCTS: Outer Banks Sportshirts, Hoods, Zip Hoods, Fleece Crewnecks, Pants
PROCESSES: Sewing
NUMBER OF WORKERS: 2,234
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Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation: There is no documented grievance procedure in place.

Plan Of Action: Our grievance procedure is covered through our global business practices and our open door policy.

Deadline Date:

Supplier CAP: Our grievance procedure is covered through our global business practices and our open door policy.

Supplier CAP Date:

Action Taken: No further actions were necessary.

Plan Complete: Yes

Plan Complete Date:

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 procedure does not provide workers with an opportunity to reply, challenge or make appeals against the actions taken.

Plan Of Action: Corporate HR will evaluate their disciplinary procedure.

Deadline Date: 06/01/2010

Supplier CAP: Corporate HR will evaluate their disciplinary procedure.

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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: SanMar has not provided the factory with written workplace standards.

Plan Of Action: As SanMar is purchasing goods from another participating company (Hanesbrands), SanMar relies on Hanesbrands to provide the factory with written workplace standards meeting or exceeding FLA standards. SanMar has confirmed with Hanesbrands that this procedure is in place and has agreed with the FLA staff that duplication in meeting this requirement is not necessary.

Deadline Date:

Supplier CAP: Factory shared with SanMar a copy of the global business practices.

Supplier CAP Date:

Action Taken: No further actions were necessary.

Plan Complete: Yes
Code Awareness:
GEN.2 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 languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: SanMar has not informed employees at the factory about their workplace standards.

Plan Of Action: As SanMar is purchasing goods from another participating company (Hanesbrands), SanMar relies on Hanesbrands to provide the factory with written workplace standards and to ensure that factory employees are appropriately informed and educated about these standards. SanMar has confirmed with Hanesbrands that this procedure is in place and has agreed with the FLA staff that duplication in meeting this requirement is not necessary.

Deadline Date:

Supplier CAP: All employees are trained on our global business practices.

Supplier CAP Date:

Action Taken: No further actions were necessary.

Plan Complete: Yes

Plan Complete Date:
**Code Awareness:**
GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

**Noncompliance**

**Explanation:** SanMar has not developed a secure communication channel that allows employees at the facility to report non-compliances with the workplace standards.

**Plan Of Action:** As SanMar is purchasing goods from another participating company (Hanesbrands), SanMar relies on Hanesbrands to ensure that a secure communication channel is in place to allow employees at the facility to report any issues of noncompliance. SanMar further requires Hanesbrands to notify SanMar should any significant issues be communicated by employees at the facility. SanMar has confirmed with Hanesbrands that this procedure is in place and has agreed with the FLA staff that duplication in meeting this requirement is not necessary.

**Deadline Date:**

**Supplier CAP:** SanMar has confirmed with Hanesbrands that this procedure is in place and has agreed with the FLA staff that duplication in meeting this requirement is not necessary.

**Supplier CAP Date:**

**Action Taken:** No further actions were necessary.

**Plan Complete:** Yes

**Plan Complete Date:**
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:

1. Emergency exit light over exit door #9 was tested and found not operable. Up to 150 workers have been trained to evacuate through that emergency exit door and the exit door is indicated on the emergency exit map as a path of egress. Emergency exit doors #1, 5, 6 and 7 have unlighted exit signs or the lights are not operable. National Health and Safety Regulation Art. 61(1)

2. Fire alarm was not working at the time of the audit. Factory explained that there was a spike in electricity that caused the electronics of the alarm to be burned out. National Health and Safety Regulation Art. 220(1)

3. Facility conducts regular fire drills and records the events; however, fire drills are not performed in accordance to National Health and Safety Regulation Art. 221, that requires the fire department to be present during the fire drill.

Plan Of Action:

1. According to National Health and Safety Regulation Art. 208, exit signs shall be clearly marked with reflective signs, preferably illuminated. This measurement will be adopted as a good practice. Monthly audits will be performed in order to ensure all exit signs and emergency lights are operable.

2. Monthly maintenance is performed to the fire alarm by an external company.

3. According to National Health and Safety Regulation Art. 221, fire drills shall be conducted by the facility under the direction or supervision of the fire brigade, and a notification shall be sent to the local fire department so they can supervise the fire drills. A notification will be given to the local fire department before the fire drills are conducted.

Deadline Date:
Supplier CAP: 1. According to National Health and Safety Regulation Art. 208, exit signs shall be clearly marked with reflective signs, preferably illuminated. This measurement will be adopted as a good practice. Monthly audits will be performed in order to ensure all exit signs and emergency lights are operable.

2. Monthly maintenance is performed to the fire alarm by an external company.

3. According to National Health and Safety Regulation Art. 221, fire drills shall be conducted by the facility under the direction or supervision of the fire brigade, and a notification shall be sent to the local fire department so they can supervise the fire drills. A notification will be given to the local fire department before the fire drills are conducted.

Supplier CAP Date:

Action Taken: 1. Broken emergency exit light and emergency signs were repaired on 12/9/2009.

2. The fire alarm was repaired the same day of the visit on 11/9/2009. c) Fire drill was conducted on 11/19/2009 during shift B, under supervision of the fire department.

Plan Complete: Yes

Noncompliance Explanation: Fire extinguishers #6 and #23 were found without plastic security seals (pins). This implies that the units may have been tampered with. Fire extinguisher #13 was found totally discharged and unusable. National Health and Safety Regulation Art. 220(1)
Plan Of Action: As part of our recently implemented global safety management system, weekly audits are performed by the production supervisors to ensure that all fire extinguishers have their plastic security seal installed and are fully charged. Additional monthly audits are made by the plant safety coordinator, and another revision is made by the company that gives the fire extinguisher service and maintenance.

Deadline Date:

Supplier CAP: As part of our recently implemented global safety management system, weekly audits are performed by the production supervisors to ensure that all fire extinguishers have their plastic security seals installed and are fully charged. Additional monthly audits are made by the plant safety coordinator, and another revision is made by the company that gives the fire extinguisher service and maintenance.

Supplier CAP Date:

Action Taken: Plastic security seals were installed to fire extinguishers the same day 11/9/2009. To avoid losing plastic security seals (plastic pins) we request extra seals to fire extinguisher vendor. Discharged fire extinguishers were re-charged on 11/9/2009.

Plan Complete: Yes

Plan Complete Date: