FLA Audit Profile

Country: HONDURAS
Factoy name: 2002392E
IEM: ALGI
Date(s) in facility: OCTOBER 12th and 13th 2006
PC/PCG: Cotton
Product(s): SPORTSWEAR

Production processes: MANUFACTURING

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<th>FLA Benchmark</th>
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<td>Code Awareness</td>
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<td>Freedom of Association</td>
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<td>Wage and Benefits</td>
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**HR Compliance**

**Code Awareness**

The factory will observe the minimum age as defined in the country law. Any worker below the age of 15 (or 14 if 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, will not be employed.

**Forced 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. The factory will not employ any worker who is below 15 years of age. In addition, no person will be employed at an age younger than the age for completing compulsory education in the country of manufacture where such age is higher. The factory will not employ any worker who is below 15 years of age.

**Freedom of Association**

Employees will have the right to join unions and participate in collective bargaining. Employees will be able to freely form, join, maintain, and participate in labor organizations of their choosing, including the right to conduct lawful collective bargaining, with or without a formal union, for the purposes of negotiating terms and conditions of employment.

**Wage and Benefits**

Employees will be paid a minimum wage that is at least equal to the minimum wage required by law, or the prevailing industry wage, whichever is higher, and will be paid in full within legally defined time periods. In the event a worker is required to work overtime, the worker will be paid at time and a half for all hours worked in excess of the regular workweek.

**Health and Safety**

Ventilation systems shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility. 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.

Visual observation: On Nov. 10 (company), 2 new units were installed for units 3 and 4; on Oct. 3, 2 coils were installed for units 9 and 10. On Oct. 15, 2 new units were installed for units 15 and 16.

External evaluation: 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 lint. Their proposals are being evaluated.

Ref: Health and Safety Regional Manager will get a quote on a monitoring test for particules.

**FLA Code/Compliance issue: Health and Safety**

**Noncompliance**

Although the facility has purchased additional ventilation systems to minimize heat stress, employees complained about excessive heat during summer season.

**Source/Documentations used for conditioning**

Visual observation: From Oct. 16, 2007, until June 28, August 6, and September 3, 2007 by the internal CSR monitor, finding it to be under the standard limit.

External evaluation is programmed in 2007.

The Health and Safety Regional Manager will get a quote on a monitoring test for particules.

**PC Remediation Plan/Target Completion Date**

- Oct 2006 was calculated correctly and must receive an additional day off.
- Payment of Legal Benefits
- Payment of holidays for 2005, 2006, and 2007 must be computed with the average of regular plus overtime earned during the immediate preceding week.
- The selected week chosen for the calculation was December 2005, December 2006, and December 2007. The selected week chosen for the calculation was December 2005, December 2006, and December 2007. The selected week chosen for the calculation was December 2005, December 2006, and December 2007.
- Holiday pay is required to be calculated based on the average of the regular workweeks plus overtime earned during the immediate preceding week as mandated by law, this information is available for further verification.

**Documentation Status**

- Completed
- Pending
- Ongoing
### Legal Compliance

**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.

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<td>Implemented by Factory Management or Company</td>
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**Evidence of Non-compliance (Uncorroborated)**

Workers will be paid for holidays and leave as required by law.

**FLA Benchmark**

Non-compliance

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**Notable Features**

Implemented by Factory Management or Company

**PC Remediation Plan**

Remediation

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**Company follow up (Date of follow up)**

Documentation Completed; Pending; On-going

**Factors**

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 the days off in December. The 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.

**References**

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.

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at a 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.

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**Notes**

In extraordinary business circumstances, employees will (i) not be required to work more than the lesser of 12 hours per week and 12 hours overtime or (ii) 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 (i) be entitled to at least one day off in every seven-day period.