

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	28002910D
IEM	ALGI
Date(s) in facility	September 22, 23, and 24, 2005
PC(s)	V.F. Corporation
Number of workers	2383
Product(s)	Knits
Production processes	Sampling, cutting, knitting, dying, sewing, QC, washing and packin

FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM FINDINGS				REMEDATION				UPDATES	
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (un corroborated)	If Not Corroborated, Explain Why	Sources/Documentation Used for Corroborating	Notable Features Implemented by Factory Management or Company	PC Remediation Plan	Target Completion Date	Company Follow-up	Documentation
1. Code Awareness												
Worker/Management Awareness of Code		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 languages 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.			1. Management Interview; 2. Workers interview; 3. Visual verification on Code of Conduct.		Factory will introduce Client's Codes during new hire orientation and present code principles individually during weekly departmental meetings.	3/1/2006	Ongoing		
Confidential Non-compliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, enable Company employees and employees of contractors and suppliers to report to the Company on non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Non-compliance: As per management, V.F. Corporation has not put in place a confidential non-compliance reporting mechanism for the workers. Audit team did not observe a hot-line in the workplace or any other type of mechanism.			1. Management Interview; 2. Workers interview; 3. Visual verification on Code of Conduct.		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.	Ongoing			Employees are orally educated during induction seminar at time of hire as to the communication systems within the plant. For communications they have the opportunity to approach HR Manager directly if needed and there are suggestion boxes located throughout the facility. There is a documented procedure of handling employees complaints in place and suggestion boxes are opened once a week in order to respond to any complaint from employees. In addition there is an internal program, Round Table, where employees discuss problems with supervision and issues are brought to management's attention. HR department respond to all issues within a week.
2. Forced Labor												
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.												
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 15.												
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 of abuse.												
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	Non-compliance: During lunch taken by audit team on Sept 23rd and 24th at [factory] cafeteria, it was observed on two separate occasions that at least 15 male employees harassed a female employee walking through the cafeteria. Harassment consisted in whistles and verbal statements. Audit team interviewed one of the females in question, who admitted she was annoyed by such actions at the beginning of her employment but is now used to this type of behavior.			1. Audit team visual verification; 2. Employee in question interview.		Human Resources has targeted individual employees who have exhibited less than appropriate behavior and reminded them to maintain a proper/professional behavior while in the work place. Non-harassment will also be covered in the weekly department meetings along with other code items. It is noted that the workforce is 90% male.	Ongoing			
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.												

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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.												
Document Maintenance/Accessibility	Title V Chapter 1 of Honduras' Labor Code	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers, if different from the local language.	Non-compliance: 1) Most areas where chemicals are used have posted MSDS, but two sections were missing them: The stain removing station and the temporary storage of toxic components use for stains and washing chemicals; 2) A main water pump (use for firefighting) was labeled in English "Sprinkler and Fire alarm."			1. Audit team visual verification; 2. Employee in question interview.		Factory maintains 10 MSDS manuals. Dye house (2), Chemical Warehouse, Lower section, Water treatment (2), Maintenance (2), Knitting (2). Water pump has been labeled in Spanish.	Ongoing			
Safety Equipment	Title V Chapter 1 of Honduras' Labor Code	All safety and medical equipment (such as firefighting equipment, first-aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	Non-compliance: 7 out of the 15 first-aid kits were randomly selected to be reviewed. Out of the 7 selected, 6 had missing components such as: iodine, gloves or cotton.			1. Audit team visual verification.		Factory Nurses to check all first aid kits twice weekly. (Inventory's taken and expiration dates checked).	Ongoing			
PPE	Title V Chapter 1 of Honduras' Labor Code	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.	Non-compliance: 1) Employee in the stain removing station was observed to be using toxic stain removing agent (PK3) without mask, gloves or goggles; 2) Finishing and washing departments had sections where decibels readings reached higher than 100. Employees in these areas did not wear provided earplugs.			1. Audit team visual verification; 2. Employee in question interview; 3. Testing instrument reading.		Supervision/Engineering is responsible for follow-up on PPE usage. Daily audits are taken by Quality personnel and resulting Department. Indicators are reviewed by facility management on a weekly basis.	Ongoing			
Chemical Management	Title V Chapter 1 of Honduras' Labor Code	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.	Non-compliance: Toxic material in the washing department was stored under a stairway. A large container of stain removing agent (KP-3) was observed stored in the stain removing station.			1. Audit team visual verification.		Chemicals are properly stored.	Ongoing			A chemical program in place, 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.
Ventilation/Electrical/Facility Maintenance	Title V Chapter 1 of Honduras' Labor Code	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: Five employees in the stain removing station were observed using toxic stain removing agent (PK3) without ventilation, the closes exhaust fan is approximately 15 meters away.	Risk: 35 employees motioned that the work area was very hot. Audit team observed that only exhaust fans are located on top of building structure. Although not measured, audit team confirms the work area temperature is high.		1. Audit team visual verification; 2. Employee interviews.		Area is well ventilated (high ceilings, exhaust fans). Area will be hot owing to the type of equipment being used. Factory provides easy access to drinking water and provides for two breaks daily - along with the lunch break (minimizing heat fatigue).	Ongoing			The workers were provided with PPE but the place still needs to improve ventilation; management will contact specialist to develop vacuum system needed in the area.
Machinery Maintenance	Title V Chapter 1 of Honduras' Labor Code	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	Non-compliance: A lift elevator utilized to move containers from the second level to the first, sometime carries staff members. Lift elevator does not have a safety line or safety gate to prevent anyone from falling. Non-compliance: 20 Sewing machines were observed without pulley guards.			1. Audit team visual verification; 2. Employee interviews.		Employees are not allowed to use the elevator. It is for cargo only. Signage indicates the proper usage. Pulley guards have been installed.	Ongoing			Missing pulley guards continues to be an issue. 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.
Other (Fire Prevention Mechanism)	Title V Chapter 1 of Honduras' Labor Code			Risk: Facility's fire pull box can only be visible at eye level and at short distance.		1. Audit team visual verification.		Fire pull box locations have been highlighted with bolder/larger painted boxes. Location of pull boxes are noted on evacuation diagrams.	Complete 12-13-05			
Other (Ergonomics - Mats)				Risk: Employees throughout the facility operate on a 12 hour shift. Audit team observed that over 30% of the employees who work standing do not have mats.		1. Audit team visual verification; 2. Employee interviews.		100 fatigue mats have been purchased.	1/1/2006			
Evacuation Procedures	Title V Chapter 1 of Honduras' Labor Code	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Non-compliance: 70% of markings are clear and freshly painted. As management mentioned, missing 30% will be completed within few weeks. One main aisle in the dye department was found obstructed with containers.			1. Audit team visual verification.		Painting lines is constantly in process. Highway line paint is now being used for better permanency.	Ongoing			

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7. Freedom of Association and Collective Bargaining												
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.												
Discrimination		The employer will not discriminate against workers who seek to exercise their right to organize and bargain collectively.		Risk: 36 Employees brought issues such as fearing management and being fired if they were found to be involved or to suggest any form of organizing a labor union.	Audit team requested the list from the facility to include all employees that had been dismissed or who had resigned during 2005. The list presented showed a deviation (5 times more than the other months) during the month of April 2005, reaching to a total of 65 employees. Out of the 85 workers, 40 had resigned voluntarily, when audit team request to review the 40 personnel files, only 6 were found available. The six reviews did not show any indication of wrong doing, but it was insufficient to reach a degree of confidence at a conclusion. An employee who had resigned came to collect her check while the audit was being conducted. Audit team interviewed employee as to the reason for her resignation. Employee confirmed that the reason was solely financial and when questioned regarding any activities of unions in the facility, she mentioned a name as a union organizer, who was later identified as one of the employees who had resigned voluntarily during April 2005. No further information was available to contact this specific employee.	Audit team reviewed facility's policy where it states the right to organize; further information showed attendance sheets of meetings discussing the benchmark of freedom of association. Facility also has posted throughout their bulleting boards their commitment to WRAP principles, including the employee's right to organize.	Factory provides enhanced open door process by utilizing employee relations' coordinators and weekly employee roundtable. W.F. Corporation (B License) does not have a confidential non-compliance reporting system in place.	Ongoing				When employees are hired they are given a WRAP Principle Orientation which contains a section on Freedom of Association. Also during the year, there are different campaigns during which the Principle is again reviewed.
8. Wages and Benefits												
Employers recognize that wages are essential to meet 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.												
Minimum Wage	Art. 320 (Overtime hours): Any work in excess of the normal hours of work, and in any event in excess of the statutory maximum. Art 329 (Night shift): Solely by reason of its being done at night, shall be remunerated at 25 percent more than day work. Art 330 (Overtime): Any actual work that is done outside the limits special for normal hours of work in the preceding sections or that exceeds any shorter hours of work agreed between the parties shall be deemed to be overtime and shall be remunerated at the following rates: at 25% more than day time wage when the work is done by day; 50% more than the day time wage when the work is done by night, and; 75% more than the night time wage when the overtime is done in addition to the night work.	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	Non-compliance: Basic wage salary for diurnal employees at [factory] remains the same when they are assigned for night shift. Legal requirements call for night shift compensation at 25% over the diurnal base salary. This condition also affects compensation for Holidays, overtime, severance pay and vacation.		1. Management Interview; 2. Workers interview; 3. Payroll records review. Facility has provided a document from the Department of Labor and Social Security of Honduras, challenging this observation by audit team. Please see attached document to the audit instrument and TC for further review.		Factory pay structure has been certified by the office of the Secretary of Work and Social Safety. Basically, the salary for day shifts is calculated based up a 44 hour (normal) work week. Salary for the night shift is calculated upon a 36 hour (normal) work week. The differential (836) results in the 25% smp differential.	Complete				Feedback from operators is provide via Round Table meetings. Employees are given the opportunity to contribute to discussion about matters; both negative and positive.
Time-recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	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 (mechanics), an employee worked continuous on the 6th and 7th day. The 6th day work was observed recorded on time records, but the 7th was missing. This information was provided by an employee who worked on these two days and confirmed by the maintenance supervisor.		1. Management Interview; 2. Workers interview; 3. Supervisor interview; 4. Payroll records review.		Holiday overtime schedules will be published in advance. Pay for those hours will also be made in advance. The employees will record days worked. If days are not worked then the pay advance will be deducted from subsequent pay period.	Ongoing				
Legal Benefits	Art. 348 (Vacation): 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.	Employers will provide all legally mandated benefits to all eligible workers.	Non-compliance: The company maintains a policy of collective vacation during Christmas, New Years and holy week, totaling 11 days per year. As a result of this practice, employees who are entitled to more than 11 days (because of seniority) are not granted the additional days. These additional days are properly compensated, but not taken as mandated by Honduran labor laws.		1. Management Interview; 2. Workers interview; 3. Vacation records and policy review.	Benefits non mandated by law: 1. Food subsidy (57%); 2. Transportation (100%); 3. Life and Accident insurance (100%); 4. Medical insurance (50%); 5. Medicine (100%); 6. School secondary education (159 employees); 7. Vacation includes OT for calculation (local regulations requires regular wages); 8. Loans without interest.	The factory will maintain the following vacation schedule. 1 year of service - 10 days at shutdown, 2 years of service - 10 days at shutdown, 2 days during balance of year, 3 years of service - 10 days at shutdown, 5 days during balance of year, 4 years of service - 10 days at shutdown, 10 days during balance of year	Ongoing				Employees have the choice to take, during the year, vacation days in addition to the 10 day end of the year facility shutdown. These days are proportionally given according to time worked. Factory maintains logs detailing how many days an employee has requested to take during the year. The balance not taken is given during shutdown period. Example, if an employee is entitled to 12 days and has taken 2 during the year plus the 10 at shutdown will be even at end of the year.
Legal Compliance for holiday/leave	Art 339 (Holidays): Holidays 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.	Workers will be paid for holidays and leave as required by law	Non-compliance: At least on two occasions during December 2004 and during Holy week (March) in the maintenance department (mechanics) one employee worked continuous on the 6 th and 7 th day. This condition was not detected in any other departments during the interview process.		1. Management Interview; 2. Workers interview; 3. Supervisor interview.		Holiday overtime schedules will be published in advance. Pay for those hours will also be made in advance. The employees will record days worked. If days are not worked then the pay advance will be deducted from subsequent pay period.	Ongoing				
9. Hours of Work												
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.												

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Overtime Limitations	Art. 333 (Overtime): Overtime is regulated under the following conditions: same employee can not work over time more than 4 times during the same work week.	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. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	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 (mechanics) an employee worked continuous 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 mechanic over 60 per week. This information was provided by an employee who worked on these two days and confirmed the by maintenance supervisor.			1. Management Interview. 2. Workers interview. 3. Supervisor interview.		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.	Complete			Maintenance employees are notified of this practice at the time of hire.
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.												
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. The margin utilized (no written policy) is 5000 Lempira. Employees earning more than 5000 Lempiras will not received overtime compensation. Employees affected by this measure are mostly mechanics.			1. Management Interview. 2. Workers interview. 3. Payroll reviews. 4. Management sheet provided regarding the 5000 lempira brake down.		The mechanical staff are treated as salaried employees.	Complete			Salary procedure is stated in salary contracts which detail the different rules. There are three type of jobs here in which people is not paid overtime: supervisors, management and upper management.
Miscellaneous												