



2009

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Hanesbrands, San Mar
COUNTRY: El Salvador
FACTORY CODE: 650222447H
MONITOR: Oxfander Ramirez
AUDIT DATE: October 1-2, 2009
PRODUCTS: T-Shirts, Polo Shirts
PROCESSES: Cutting, Sewing, Inspection,
Packing, Workshop
NUMBER OF WORKERS: 731

FLA Comment: *This report was submitted with a corresponding corrective action plan to the FLA and was reviewed by FLA staff. In an effort to improve the effectiveness of remediation, the FLA has provided feedback and recommendations to the company. The FLA has not yet received a response from the company. Therefore, the report is posted in its current state and will be updated once a finalized report has been received.*



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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: During the factory tour, it was noted there is no company code of conduct posted in a place readily accessible to workers.

Plan Of Action: HBI's CSR manager will visit the plant January 30 and will verify posting of the code of conduct. This will also be an item to verify each HBI social compliance audit and visit.

Deadline Date: 01/30/2010

Supplier CAP: The company's code of conduct has been posted. It has been established that part of human resources' responsibilities will be to monitor the posting of every client's code of conduct.

Supplier CAP Date: 02/15/2010

Action Taken: The company's code of conduct has been posted, and HR is responsible for posting every client's code of conduct in the factory.

Plan Complete: Yes

Plan Complete Date:

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: During the factory tour, it was noted there is no company code of conduct posted in a place readily accessible to workers. In addition, employees have not been informed of the company's standards.

Plan Of Action: HBI's CSR Manager will verify that employees know about the company's code of conduct through employee interviews. This will also be an item to verify each HBI social compliance audit and visit to the factory.

Deadline Date: 01/30/2010

Supplier CAP: All the employees have been trained. It has been established that there will be an annual roll out of the company's standards to all employees.

Supplier CAP Date: 01/15/2010

Action Taken: All the employees, including supervisors, have been trained.

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: During the audit, it was noted there is not a secure communication channel in place for employees to report any noncompliance against the workplace and/or company standards.

Plan Of Action: HBI's CSR manager will verify there is a secure communication channel in place. We will ask for follow-up records of the claims employees have reported in monthly meetings and trough suggestion boxes. This will also be an item to verify each HBI social compliance audit and visit.

Deadline Date: 01/30/2010

Supplier CAP: Two practices have been established:

1. Monthly meetings with employees and suggestion boxes.
2. All employee claims are documented and followed up until there is a formal answer by the factory. The factory is committed to strengthening this practice.

Supplier CAP Date: 01/15/2010

Action Taken: Monthly employee-management meetings are held. There is also a log of complaints submitted by employees through the suggestion box.

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: During the plant tour we found that corridors (aisles) of the sewing area do not meet the minimum space requirements by law in El Salvador for the mobilization of people. They are 20 centimeters wide, which is not in compliance with the minimum measurement established by law. This was corroborated during the plant tour when accurate measurements of the space were taken and also during the workers' interviews from that zone of the facility.

Legal Reference: RULES OF GENERAL SAFETY AND HEALTH IN THE WORKPLACE (Article 9A; Workrooms where moving vehicles must have the necessary corridors, conveniently distributed and defined by white stripes painted on each side. If the corridors are intended solely for the transit of persons, they shall have a width of not less than a meter, if they are intended for the passage of vehicles, they must have at least 50 additional centimeters in width, wider than the widest vehicle that circulates.) The person in charge of health and safety compliance stated that the sewing area has been recently accommodated, for this reason, the sewing machines were removed.

Plan Of Action: HBI's CSR manager will meet with the factory's safety coordinator to help them design a comprehensive safety audit program.

Deadline Date: 01/30/2010

Supplier CAP: The aisles are now wider. The plant is committed to considering aisle measurements established by law whenever designing plant layouts. The factory's safety coordinator will be responsible for conducting periodic safety audits to monitor the width of aisles.

Supplier CAP Date: 01/15/2010

Action Taken: The aisles are wider; main aisles are now 1.3 meters wide and the space between sewing machines is now 80 centimeters.

Plan Yes
Complete:

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: During the factory tour it was noted that 1 out of 3 emergency exits was obstructed with a metal platform that is utilized by workers to download and upload containers. The evacuation route for this exit passes through the shipping area; due to the exit, the metal platform is removed and relocated several times during the day.

Plan Of Action: HBI's CSR manager will meet with the factory's safety coordinator to help them design a comprehensive safety audit program.

Deadline Date: 01/30/2010

Supplier CAP: An area has been established to store the metallic platform whenever it is not in use. The factory's safety coordinator will be responsible for conducting periodic safety audits to monitor this issue.

Supplier CAP Date: 01/15/2010

Action Taken: There is an area to store the metallic platform; there are also safety audits to avoid this platform, or any other object, blocking emergency exits in the future.

Plan Yes
Complete:

Plan
Complete
Date:

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: During the factory tour it was noted that 3 out of 44 fire extinguishers in the production area and 1 out of 1 fire extinguisher in the stain removal area did not have handling instructions in the local language (Spanish), 100% of the workers' language is Spanish. The person in charge of Health and Safety Compliance stated that the facility was recently painted, and it is for this reason all instructions were removed from the walls. The relocation of all instructions is in progress by the Health and Safety Committee.

Plan Of Action: HBI's CSR manager will meet with the factory's safety coordinator to help them design a comprehensive safety audit program.

Deadline Date: 01/30/2010

Supplier CAP: The missing fire extinguisher instructions were translated. This issue will be part of the periodic safety audits done by the factory's safety coordinator.

Supplier CAP Date: 01/15/2010

Action Taken: Instructions were translated and there are periodic safety audits to prevent this issue from happening again.

Plan Yes
Complete:

Plan
Complete
Date:

Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation: During factory tour it was noted that 2 out of 2 containers did not have corresponding Material Safety Data Sheets (MSDS) available in storage site. The storage site is totally isolated, and only 2 workers have access to area. Person in charge of H&S Compliance stated that the MSDS have always been available in the H&S Office.

Plan Of Action: HBI's CSR manager will meet with the factory's safety coordinator to help them design a comprehensive safety audit program.

Deadline Date: 01/30/2010

Supplier CAP: Missing MSDS were posted. Factory has established procedure of requiring the MSDS before a chemical is used in the plant. Safety coordinator will monitor this issue through the safety audits.

Supplier CAP Date: 01/17/2010

Action Taken: The missing MSDS were posted. Suppliers are required to provide MSDS before purchasing chemical products.

Plan Complete: Yes

Plan
Complete
Date:

Health and Safety: Proper Use of Machinery

H&S.19 Employers shall only use positive incentives (risk awareness training, demonstration of proper use, awards, bonuses, etc.) to ensure workers use machinery, equipment and tools properly and safely. Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe. (P)

Noncompliance

Explanation: During the factory tour it was noted that 1 out of 2 heat transfer machines did not have an activation system on both hands, so as to minimize the risk of accidents. In the process, the worker exposes both hands to high temperature and pressure while the machine is activated by foot. In addition, another potential risk was identified, as this machine is located on a primary aisle where manual and engineered vehicles circulate.

Plan Of Action: HBI's CSR manager will be present at the training given to pad print machine operators.

Deadline Date: 01/30/2010

Supplier CAP: The machines have been repaired. The employees in this area will be trained on the use of the activation system and will be educated to avoid using the machine if it does not have the 2-hand activation system. The safety coordinator will monitor this issue through periodic safety audits.

Supplier CAP Date: 01/17/2010

Action Taken: The machine that did not have 2 hand controls was eliminated. There are periodic safety audits to prevent this issue from happening again.

Plan Complete: Yes

Plan Complete Date:

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: **FIRST FINDING:** Accordingly to Labor Code of El Salvador, day shift should not exceed 8 hours per day or 44 hours per week. 3 of 30 workers in sample reviewed worked over 60 hours a week. 1 employee worked 64 hours, 1 66 hours and another 69 hours between May 11 and May 24, 2009. In the same way, 3 of 30 workers worked over 60 hours a week. 1 employee worked 64 hours, 1 63 hours and another 61 hours from May 25 and June 7, 2009. All of these employees work in sewing department in lines 511 and 513. Management stated this was caused by trying to meet last minute customer orders.

Legal references: Labor Code of El Salvador, Article 161 and Internal Working Rules, Article 8.

SECOND FINDING: In accordance to Labor Code of El Salvador, night shift shall not exceed 7 hours per day or 39 hours a week. 25 employees out of 731 belong to cutting area, where it was noted that these 25 employees are working a weekly night shift of 39 hours. Their shifts are as follows, 12 continuous hours from 18:00 to 06:00 hours, on Mondays, Wednesdays and Fridays; plus 3 hours on Saturdays from 15:00 to 18:00 hours. In this way, workers are exceeding maximum number of night hours that can be worked in El Salvador in accordance to a 2005 law which restricts overtime to 7 hours of overtime a day. Number of workers corresponds to 100% of cutting area employees that work in adjoining warehouse due to space limitations. This was stated by management.

Legal References: Labor Code of El Salvador, Articles 161 and 165; Internal Working Rules, Article 8; and General Department of Labor Resolution, dated October 25, 2005; which expressly denies those night shift hours due to fact that it contravenes (is against) Article 161 of Labor Code.

Plan Of Action: HBI will review the factory's plan to program overtime work and verify working hour compliance. This item will be monitored in all HBI's social compliance audits and visits through inspection records and employee interviews.

Deadline Date: 01/30/2010



Supplier CAP: 1. Factory will rotate employees working overtime in packing area so they do not work over 60 hours a week, except for urgent business needs. Supervisors will be trained on this policy.

2. Night shift will disappear as of January 17, 2010, because it did not have Labor Ministry's authorization. Factory will not resume night shift if they do not have ministry's approval.

Supplier CAP 01/17/2010
Date:

Action Taken: The night shift was eliminated; no one works in the plant at night time. To prevent excessive work hours, the factory rotates its packaging employees.

Plan Complete: Yes

Plan Complete Date:
