

FLA Audit Profile		
Country	Colombia	Company Comment: GFSI, Inc., no longer does business with this factory as of March 2008. The factory notified us that they were going to focus on producing non-export product due to the US dollar devaluation. In September 2007, a third party audit confirmed issues found during the IEM were corrected.
Factory name	030016324E	
IEM	ALGI	
Date(s) in facility	October 30-November 1, 2006	
PC(s)	Gear for Sports, Inc. (GFSI)	
Number of workers	3227	
Product(s)	Sportswear	
Production processes	Sewing, Packing, Finishing, Warehouse, Pressing, Dyeing, Cutting, Fusing, Printing, Embroidery, Knitting	

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Noncompliance	Risk of Noncompliance	IEM Findings				Remediation				Status	Updates		Third-Party Verification		Company Verification Follow	
					Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources/ Documentation	Notable Features	PC Remediation Plan (March 2007)	Target Completion Date	Factory Response (Optional)	Company Follow Up (March 30, 2007)		Documentation	Completed / Pending / Ongoing	Company Follow Up (September 2007, Third-Party Audit)	Documentation	External Verification (Date)	Documentation
1. Code Awareness																			
Confidential Noncompliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: 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.	There is no evidence that GFSI has installed a noncompliance reporting mechanism.				factory walkthrough, management interviews		Visited factory to meet with HR person directly to correct issues. Company office personnel are open and receptive to employee complaints. Staff is on site at least weekly. They have a good rapport with workers. They are available for the workers to talk to and let us know about any issues. This is confidential as all issues come to company headquarters for evaluation and remediation.	Apr-07	Company counts on suggestions, complaints, ideas and mailboxes where personnel write recommendations or suggestions. Opening these boxes is done in a confidential way. Photos of mailboxes sent to FLA for review.	Visited factory and had a meeting with head of HR to discuss issues from audit. They do have suggestion boxes; photos sent to verify.	Completed	Facility has suggestion boxes placed in canteen area, medical consulting and at ATM machine. All complaints, signed or signed, are handled under strict confidentiality. HR manager has monthly meetings with supervisors to deal with these issues.					
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.	Although GFSI code is posted, no further evidence of training or communication regarding code obligations, FLA monitoring or follow-up visits have been presented.				management interview		Visited factory to meet with HR person directly to correct issues. Company QC Manager randomly attends these training sessions to ensure our code of conduct (COC) is explained.	Apr-07	There are 2 Spanish COC posters placed on a strategic wall that all workers can stand nearby to read. There is also an induction program whenever a new person is hired to explain all COCs for each client. There is a registration sign-in book in order to gather all persons registration.	Workers are told about COCs when they are hired. Agenda from introductory meetings and sign-in sheet sent for review.	Completed						
Other								Weekly and monthly programs for recreation, promotion of cultural activities, education, health and professional development are carried out by staff with outstanding enthusiasm. Communication of client COC and internal rules is intense through training and posting. Companies also publish a bi-monthly magazine with the company's activities, achievements and exaltation of workers who excel in their positions.											
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 or abuse.																			
Disciplinary Actions								When workers are disciplined, they are called to reply to the charges and a detailed minute of this interview and their answers are kept in file. Workers sign the statement and add any notes or clarification as needed. Auditor considers policy objective, progressive and fair.											
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.																			
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.																			
Other								Workers' facilities for entertainment and development include: pool, Jacuzzi, sauna, football field, basketball field, farm for children, green areas, special rooms for training and others. Facilities are used by production workers and their children on a daily basis. Factory provides floor mats for employees working in standing position, showers for chemical emergencies and numerous eye wash stations. Employees are frequently subject to hearing tests, eyesight tests, and other medical check ups like dental, diabetes, cholesterol and high blood pressure. Tests are voluntary and free of charge.											
7. Freedom of Association and Collective Bargaining																			
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																			
Collective Bargaining Agreement								Although the company has no union, every 2 years management and workers negotiate and sign a collective bargaining agreement that provides workers with a number of benefits above what is required by law. Per records review, the terms of the collective bargaining agreement are properly upheld.											
8. Wages and Benefits																			
Employers recognize that wages are essential to meeting 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.																			
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.						In addition to all legally mandated benefits, company provides the following items: free medical attention 4 days per week, food support for families in need, subsidized school supplies, grants for education at different levels, psychological counseling, legal assistance, free eyeglasses, subsidized medicine (50%), subsidized medical exams, maternity bonus, Christmas bonus, subsidized life insurance, subsidized funeral expenses, recreational activities, parties and gifts for the workers' children, monetary support in case of domestic calamity, free snacks (twice a day) for pregnant employees, no interest money loans (through associated banks), and others.											
Legal Compliance for Holiday/Leave	Art. 190 # 1 - Colombian Labor Code - Workers will take at least 6 continual days of annual vacation.	Workers will be paid for holidays and leave as required by law.	Workers have accumulated vacation for 2 or more years.				worker and management interviews		Visited factory to meet with HR person directly to correct issues. Factory is scheduled to be re-audited in the next 6 months to follow up and check that this has been put in place.		At the moment there is a program in HR, along with all levels of managers, to guarantee that all workers take their vacation time in the corresponding period.	Discussed with HR manager, and workers are allowed vacation, but as verified by our QC, they do not want to take it.	Ongoing	Facility provides all mandated minimum wages and social benefits to all its employees in accordance with Colombian Law. During interviews, it was noted that employees are aware of their wages and benefits.					
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.																			
Overtime Limitations	Art. 22 Law 50 1990 - Colombian Labor Code: Overtime hours will not exceed 2 per day and 12 per 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 1 day off in every 7 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.	1% of workers exceeded the overtime limitation in October and September.				time records, worker interviews		Visited factory to meet with HR person directly to correct issues. Factory is scheduled to be re-audited in the next 6 months to follow up and check that this has been put in place.	Aug-07	At the present time, our policy of zero extra work hours is our goal to hit. Right now, having extra working hours is an issue from the past. Diminution of extra hours of work graphic sent for review.	Facility has been working to reduce the numbers of hours of overtime. Chart showing the reduction over the last year sent for review.	Ongoing	Facility prominently posts information on maximum regular and overtime hour policies in native language of workers (Spanish). Maximum OT hours per day is 2 hours; maximum OT hours per week is 12 hours, in compliance with the law. During the audit process, it was not evident that employees worked more than 60 hours per week.					
Overtime Breaks	Art. 161 Colombian Labor Code: A worker cannot be arranged to perform 2 shifts in 1 day, even if the employee agrees to it.	Employers will ensure reasonable meal and rest breaks, which, at a minimum, must comply with local laws.	Worker reported occasional cases of 2 shifts performed in 1 day (with 8 hours rest in between).						Visited factory to meet with HR person directly to correct issues. Factory is scheduled to be re-audited in the next 6 months to follow up and check that this has been put in place.	Aug-07	At the present time, workers only work 8 hours per day which is legal allowance, even when picks of production are going on. This can be verified by reviewing payroll against electronic system. Also, there are files to verify that all workers have at least 1 day off during the week.	Facility has been working to reduce numbers of hours of overtime. A chart showing the reduction over the last year has been sent for review.	Ongoing	Facility prominently posts information on maximum regular and overtime hour policies in native language of facility workers (Spanish). Maximum overtime hours per day is 2 hours; maximum overtime hours per week is 12 hours, it is in compliance with the law. During the audit process, it was not evident that employees worked more than 60 hours per week.					
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.	Factory has been using swipe cards to log in and log out for at least 6 months. Nevertheless, records are not used to produce payroll. Factory managers provided print-outs of swipe card records for a requested sample of employees, but stated they consider the records "non-reliable." According to their explanation, employees are still getting used to the system and a missing log is very common. To produce payroll, manual attendance sheets are used. Said records are discarded once information is inserted in system. Records for periods older than 3 or 4 weeks not available. Auditors consider provided time records not proper, and that they do not fulfill needs to match payroll and verify items related to OT compensation. No complaints received from workers related to this item.				worker and management interviews		Visited factory to meet with HR person directly to correct issues. Factory is scheduled to be re-audited in the next 6 months to follow up and check that this has been put in place.	Aug-07	Electronic system did not match in past 6 months, due to some workers swiping their cards at entry time, then forgetting to swipe again at exit time. A new process is always hard to make work at the beginning, but from this Easter week onward, there is a conscious program to make payroll and electronic systems match. All employees are also looking forward to making this work in order to help company pass all regulations and requirements. Hopefully this process will not take too long and after 1 or 2 months we will be able to improve the system's effectiveness, maybe by sending you the payrolls, along with the electronic system record files.	Discussed during our meeting that the time clock must be implemented. Plan to implement first of April 2007.	Ongoing	During the audit process, no evidence found to indicate noncompliance with Hours of Work standards and requirements. Each employee has an individual swipe card.					
10. Overtime Compensation																			

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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.																				
Accurate Recording of OT Hours Worked		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.		Due to lack of time records, OT wages cannot be properly verified.			management interviews, record review		Visited factory to meet with HR person directly to correct issues. Factory is scheduled to be re-audited in the next 6 months to follow up and check that this has been put in place.	Aug-07	Having electronic system matching payroll will ensure that OT hours are being paid. But, as stated above, our goal is to have zero extra hours worked.	Discussed during our meeting that the time clock must be implemented. Plan to implement first of April 2007.		Ongoing	During the audit process, no evidence was found to indicate noncompliance with Hours of Work standards and requirements. Each employee has an individual swipe card.					
Miscellaneous																				
Other								During interview with HR manager and his team, the commitment to the well-being of employees was evident. Many programs involving workers and their families have been carried out for a number of years. Photos and other kinds of evidence presented; further corroborated with workers through interviews.												