



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: Gildan Activewear Inc
COUNTRY: Haiti
ASSESSMENT DATE: 12/06/17
ASSESSOR: FLA EMEA
PRODUCTS: Apparel
NUMBER OF WORKERS:

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

The factory has neither created nor implemented policy and procedure related to personnel development that includes the requirement of periodic performance reviews and defines how these reviews are linked to promotions. [ER.1.1, ER.28.1. ER.29.1, and ER.30.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.1.1, ER.28.1. ER.29.1, and ER.30.1)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

Explanation:

Based on management interviews and documentation review, it was found that facility created in October 2017 policy and procedure related to personnel development which includes the requirement of periodic performance reviews. However, they have not been implemented. Facility management plans to implement these policies and procedures during 2018. [ER.1.1, ER.28.1. ER.29.1 and ER.30.1]

Root Causes:

1. Management has not prioritized the comprehensive implementation of performance review at all levels of the company
2. Lack of continuous monitoring on personnel development written procedures by management and The Human Resources Department
3. Lack of appropriate training for direct workers, supervisors and management personnel on FLA Workplace Code of Conduct.

4. No performance reviews have been conducted during 2017 for direct workers, supervisors and administrative personnel.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.1.1, ER.28.1, ER.29.1 and ER.30.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Performance reviews will start on October 2018. See attached Performance Review Calendar. See attached evidence.

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

As per Haitian Law CL-09-2009-010 piece rate employees are entitled to earn the legal minimum wage (300 daily Gourdes, equivalent to USD \$7.14) during an 8-hour workday. However, the factory does not comply; its production planning is based on 9.5 daily hours, which is the time that piece rate employees need to work in order to earn the legal minimum wage.

Local Law or Code Requirement

Haitian Law CL-09-2009-010, Article 2.2; FLA Workplace Code (Compensation benchmark ER.22.1 and Compensation benchmarks C.1 and C.2)

Recommendations for Immediate Action

Adjust the production planning, which is currently based on 9.5 daily hours, to 8 hours a day so that piece rate employees can earn the legal minimum wage in 8 hours.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

Explanation:

Based on the factory written Working Hours Policy review, the production planning is based on eight daily hours from 6:30 a.m. to 3:30 p.m. However, information provided during interviews with workers and person responsible for payroll, the production planning is based on nine hours. This is the time that piece rate employees need to work in order to earn the legal minimum wage. Production records were reviewed for the last 6 months, showing that only 70% of production modules/lines get the assigned production goal in 8 hours.

[ER.22.1, C.1, C.2]

Root Causes:

1. Facility has not adjusted its daily production planning to the 8 hours working day;
2. Lack of training for supervisors and direct workers related to System of Payment and Regular Working Hours;
3. The Payment System Policy has not been reviewed regularly.

Local Law or Code Requirement

Haitian Law CL-09-2009-010, Article 2.2; FLA Workplace Code (Compensation benchmark ER.22.1; Compensation benchmarks C.1 and C.2)

Recommendations for Immediate Action

Review and adjust its system of production based on time studies in order to assign fair daily production goals in 8 working hours in accordance to local law.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility continues to monitor 8 hours working shifts and to pay legal minimum wage as established by local law. Also the facility improved the pay slip format with the support of Better Work's recommendations for employees to clearly understand salary calculation. We confirm that all employees are receiving on a daily basis the legal minimum wage in accordance to law based on the regular daily 8 working hours.

FINDING TYPE: Compensation

Finding Explanation

During the last 6 months, there was a systematic delay in the payment of the pension fund contributions to the relevant governmental carrier (O.N.A). The average payment delay within the last 6 months was 1 – 2 months. [C.1.3]

Local Law or Code Requirement

FLA Workplace Code (Compensation benchmark C.1.3).

Recommendations for Immediate Action

Factory management is to ensure that pension fund carrier contribution payments are made on time for all workers.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

Based on the new procedure for the Pension Fund Contribution (ONA) payment policy, documentation review for the last 6 paid months and management interview, it was found that the last six ONA payments are paid five days before the due day as established by local law.

PREVIOUS FINDING NO.4

UNCORROBORATED RISK OF NON-COMPLIANCE

FINDING TYPE: Compensation

Finding Explanation

Based on workers' perception, their salary is not enough to cover all basic needs and provide a discretionary income. (FLA Comment: The assessment methodology in use by the FLA at the time of this assessment did not involve collection of compensation data nor specific benchmarks against which to measure the adequacy of compensation received by the workers. Fair Compensation findings were based solely on worker interviews/perception and are therefore not actionable for remediation purposes. In 2015, the FLA launched its Fair Compensation Work Plan which requires the collection and benchmarking of compensation data.)

Local Law or Code Requirement

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

Factory does not have a reliable tracking system to register hours of work; [ER.23.2, ER.23.3, ER.23.5]

Factory production planning includes 1.5 overtime hours per day; hence, as overtime is part of the regular daily shift, it is not performed on a voluntary basis; [HOW.7, HOW.8]

Employees do not rest for the entire 30-minute lunch time; from physical inspection, it was observed that employees take their lunch for approximately 15 – 20 minutes and then go back to their workstations to continue performing their jobs; [HOW.3]

Factory exceeds the legal limits for overtime. According to Haitian labor law, overtime shall not exceed 80 hours per quarter; however, the average overtime that production employees have performed for this period was 90 hours. [HOW.1.1]

Local Law or Code Requirement

Haitian Labor Code, Articles 4, 95, 96, and 98; FLA Workplace Code (Hours of Work benchmarks Employment Relationship benchmarks ER.23.2, ER.23.3, and 23.5; Hours of Work HOW.1.1, HOW.3, HOW.7, HOW.8.1, and HOW.2)

Recommendations for Immediate Action

1. Factory management is to ensure that all overtime is voluntary by communicating, to all employees: a) the proper regular work shift and b) that they have the right to refuse to work overtime;

2.

Ensure that all employees rest during the whole 30-minute lunch time.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Based on management interview and documentation review, it was found that the factory has created a new tracking system to register hours of work which can detect employees before they go over their overtime limit hours permitted by local law. The new system to track hours of work is directly connected with fingerprint system punch which sends the employee's time in and out.

2. Finding Status: Partially Remediated

Explanation:

Based on production records review for the last six months, only 70% of production modules can reach the established production goal during 8 hours of work. [HOW.7, HOW.8]

Root Causes:

1. Facility has not adjusted its daily production planning to the eight hours working day;

2. Lack of training for supervisors and direct workers related to System of Payment and Regular Working Hours;

3. The Payment System Policy has not been reviewed regularly;

3. Finding Status: Partially Remediated

Explanation:

According to documentation review, the Working Hours policy was modified on July 2017 from 30 minutes to 1- hour lunch time in accordance to local law. Based on management interview and time records review, it was found that the factory provides one-hour lunch time; however, during factory tours it was observed that ten production employees were working during their lunch time. [HOW.3]

Root Causes:

1. Facility management does not follow local law and internal procedures to strictly provide one-hour lunch time;

2. Supervisors do not ensure that no employee is working during lunch time;

3. Disciplinary actions have not been taken to workers and supervisor to avoid the practice to work during their lunch;

4. Written working hours procedure is not sustainable and does not comply with the local law & FLA Workplace Code.

5. Trainings provided to workers and supervisors are not effective and need to be revised regularly

4. Finding Status: Remediated

Explanation:

Based on management, worker interviews and documentation review, it was verified that no employee exceeds the overtime limit of 80 hours per quarter or 48 hours per week in accordance to local law. Facility has created a new tracking system that separates regular and before it rises the total overtime hours worked which sends surpasses the limit established by local law.

Local Law or Code Requirement

Haitian Labor Code, Articles 4, 95, 96, and 98; FLA Workplace Code (Hours of Work Benchmarks HOW.3, HOW.7, and HOW .8)

Recommendations for Immediate Action

1. Review internal rules and written procedures to provide employees one-hour lunch time established on their internal policies in accordance to local law;

2. Communicate to all workers to take a full rest during the whole lunch time.

COMPANY ACTION PLANS

Action Plan no 1.

Description

2. Since facility production planning has been done for the complete fiscal year 2018; the facility is working closely with Gildan's representatives to seek the best scenario that can benefit employees as well as the production demands and targets that factory must achieve. We are expecting to continue working during the next quarter and come back with a scenario by the fourth quarter of 2018. We kindly request an extension of time to fully resolve this issue.
3. Communication has been reinforced through trainings to employees and supervisors to assure that employees take their complete lunch hour. See Attached evidence.

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

Factory has neither created nor implemented an industrial relations policy and the relevant procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmark ER.1.1)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

Based on management interviews and documentation review, it was found that industrial relations policy and the relevant procedures have been created.

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

There is no written policy on workplace conduct/discipline; [ER.1.1]

There are no mechanisms in place for workers to appeal against disciplinary actions. In addition, the disciplinary system does not include a provision for: a) the presence of a third-party witness during disciplinary inquiries or b) a review of the disciplinary actions by a senior manager; [ER.27.2, ER.27.2.1, ER.27.4]

There is no training on workplace conduct and disciplinary practices for supervisors. [ER.17.1, ER.17.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.1.1, ER.17.1, ER.17.2, ER.27.2, ER.27.2.1, and ER.27.4)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Based on documentation review, it was found that facility has in place written policy on workplace conduct/discipline;

2. Finding Status: Remediated

Explanation:

Based on worker interviews and documentation review, it was found that facility has mechanisms in place for workers to appeal against disciplinary actions. It was observed that the disciplinary system includes a provision for: a) the presence of a third-party witness during disciplinary inquiries or b) a review of the disciplinary actions by a senior manager;

3. Finding Status: Remediated

Explanation:

Based on worker interviews and documentation review, it was found that training records are provided to workers and supervisors on workplace conduct and disciplinary practices.

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

There is no grievance channel that would ensure confidentiality when a worker complaint is submitted; [ER.25.2]

Factory grievance procedures do not include the ability for workers to ask for a senior manager review and consideration if the direct settlement with the immediate supervisor has failed or is inappropriate. [ER.25.3, ER.25.3.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.25.2, ER.25.3, and ER.25.3.1)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

Based on worker interviews and factory tours it was found that the factory has a grievance channel and open doors policy with supervisors and manager. However, the Suggestion Box system is not properly implemented. It was confirmed during interviews that employees do not use grievance boxes regularly, as they were dusty and not equipped with pencils and paper. According to employee's interviews they prefer to communicate their complaints or grievances verbally. Also, employees do not have an educational level that allows them to write in an adequate manner. [ER.25.2]

Root Causes:

1. Lack of management understanding of how a grievance system functions and how it is implemented;
2. Management's lack of awareness of FLA Workplace Code and Benchmarks;
3. Facility has not assigned a responsible staff to follow that grievance system works as established on of FLA Workplace Code and Benchmarks;
4. Management has not prioritized to apply correctly the Grievance System; facility just started working on this point on the month of audit verification, December 2017;
5. Lack of appreciation and awareness of the benefits of a grievance system on the part of both managers and workers.

2. Finding Status: Remediated

Explanation:

Based on worker interviews and documentation review, it was found that Factory grievance procedures include the ability for workers to ask for a senior manager review and consideration if the direct settlement with the immediate supervisor has failed or is inappropriate.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility equipped all Suggestion Boxes with paper and pencil, yearly trainings have been given to employees and supervisors on Communications Policy to increase employee awareness in the use of internal grievance system. See Attached evidence.

PREVIOUS FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

Factory's environmental protection policy does not include a commitment to minimize environmental impacts with respect to the conservation and use of energy. [HSE.31.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmark HSE.31.3)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

Based on management interviews and documentation review, it was found that Factory's environmental protection policy includes a commitment to minimize environmental impacts with respect to the conservation and use of energy.

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Most sewing machine operators and some employees in the stain removal area do not wear the relevant personal protective equipment (PPE), e.g., masks; [HSE.7, HSE.8]

Maintenance employees do not wear the relevant hearing protection while they are working at the boiler or in surrounding areas where the noise level is higher than 85dB (91.2dB); [HSE.7, HSE.8]

A pregnant worker was found working in the stain removal area, exposed to chemical fumes; [HSE.11.1]

A forklift was found without the fire extinguisher and without a backup alarm system. [HSE.6, HSE.14]

Local Law or Code Requirement

Haitian Labor Code, Article 439 #8; FLA Workplace Code (Health, Safety & Environmental benchmarks HSE.7, HSE.8, and HSE.11.1)

Recommendations for Immediate Action

1.
Relocate pregnant worker to a new position where there is no exposure to chemicals;
2.
Ensure that all employees performing stain removal tasks are provided with the relevant PPE.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Based on factory tours, it was observed that all sewing machine operators and employees in the stain removal area are properly wearing the relevant personal protective equipment (PPE), e.g., masks; gloves.

2. Finding Status: Remediated Explanation:

Based on factory tours it was observed that maintenance employees are properly wearing relevant hearing protection while they are working at the boiler or in surrounding areas where the noise level is higher than 85dB (91.2dB);

3. Finding Status: Remediated

Explanation:

Based on worker interviews and factory tours no pregnant woman was found working in the stain removal area, exposed to chemical fumes;

4. Finding Status: Partially Remediated

Explanation:

Based on walkthrough it was observed that forklifts are properly equipped with fire extinguishers. However, it was observed one of two forklifts without a backup alarm system. HSE.6, HSE.14

Root Causes:

1. Maintenance employees does not follow daily revisions and inspections for lifting devices and forklifts;
2. Forklifts drivers have not been trained on how to operate lifting devices properly equipped;
3. No records available for training provided to forklifts drivers.

Local Law or Code Requirement

Recommendations for Immediate Action

1. Equip all forklifts with backup alarm system;
2. Train all eligible workers on the proper use of lifting devices and forklifts.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Backup alarm system for both forklifts, is working properly. See attached video evidence.

PREVIOUS FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

20% of sewing machines are not properly guarded. [HSE.7 and HSE.14.1]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environmental benchmarks HSE.7 and HSE.14.1)

Recommendations for Immediate Action

Retrofit all sewing machines with proper machine guarding.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

Finding Status: Remediated

Explanation:

Based on walkthrough it was observed all sewing machines are properly guarded. Evidence of records for training provided to workers and maintenance employees available for assessors to review. Daily inspections are performed by maintenance employees to ensure all machine are properly guarded.

PREVIOUS FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

During physical inspection, it was observed that some air extractors and fans do not properly work on floors 1, 2 and 3. [HSE.13]

Local Law or Code Requirement

Haitian Labor Code, article 439 # 4; FLA Workplace Code (Health, Safety & Environmental benchmark HSE.13).

Recommendations for Immediate Action

Ensure that all air extractors and fans are working properly.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

Finding Status: Remediated

Explanation:

Based on walkthrough it was observed that air extractors and fans are properly working on floors 1, 2 and 3. Equipment maintenance records available for assessors to review. Daily inspections are performed by maintenance employees to ensure all machine are properly working.

PREVIOUS FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Not all employees in standing positions have been provided ergonomic mats; [HSE.17.1]

No ergonomic breaks are provided to employees. [HSE.17.1]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environmental benchmark HSE.17.1).

Recommendations for Immediate Action

Factory management is to ensure that all employees performing standing operations are provided with floor mats.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Based on worker interviews and factory tours it was observed that all employees in standing positions have been provided ergonomic mats. Supervisors conduct daily inspections to ensure all employees in standing positions are using their mats. Training records on "The right use of ergonomics mats" was available for review.

2. Finding Status: Remediated

Explanation:

Based on worker and supervisor interviews, ergonomic breaks are provided to employees. Management has assigned schedules for supervisors to provide ergonomic breaks.

PREVIOUS FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Factory does not have the legally required number of nurses in place; currently, there are only 2 nurses, when the factory should have at least 7 based on the size of the workforce; [HSE.18.1, HSE.18.2]

Under Haitian law, there should be at least 1 toilet for every 25 men and 1 toilet for every 15 women. The factory has only 13 toilets for men and 30 toilets for women. According to the current size of the workforce, the factory needs to install 20 toilets for men and 68 for women; [HSE.20]

There are not enough seats for employees to take their lunch, as per the local law. [HSE.19]

Local Law or Code Requirement

Haitian Labor Code, Articles 439 #7, 469, 470, and 479; FLA Workplace Code (Health, Safety & Environmental benchmarks HSE.18.1, HSE.18.2, HSE.19, and HSE.20)

Recommendations for Immediate Action

1.
Hire the legally required number of nurses;
2.
Install the legally required number of toilets for both men and women;

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation:

Based on current number of employees at the workplace (1,506) the factory does not have the legally required number of nurses. Currently, there are only four nurses, when the factory should have at least seven based on the size of the workforce. [HSE.18.1, HSE.18.2]

Root Causes:

1. Factory management does not follow the local law which establishes the number of seven nurses in workplace based on the size of workforce;
2. Factory avoids cost by not hiring the required number of nurses in accordance to local law.

2. Finding Status: Partially Remediated

Explanation:

The current number of workers at the production floor is 858 Women and 648 Men. The factory has 28 toilets for men and it is in compliance with local law which establishes, there should be at least one toilet for every 25 men. During walkthrough, it was observed 48 toilets for women. Based on local law and current number of women, the factory needs at least nine extra toilets to be in accordance with Haitian Law which establishes, there should be at least one toilet for every 15 women. [HSE.20]

Root Causes:

Space limitation does not allow facility to comply with number of restrooms established under local law;

3. Finding Status: Not Remediated

Explanation:

Based on worker interviews and factory tours, there are not enough seats for employees to take their lunch, as per the local law. [HSE.19]

Root Causes:

1. Management avoids additional costs by not building a rest area with enough seats;
2. It is not a priority for factory management to provide employees with all premises for taking meals;

Local Law or Code Requirement

Haitian Labor Code, Articles 439 #7, 469, 470, and 479; FLA Workplace Code (Health, Safety & Environmental benchmarks HSE.18.1, HSE.18.2, HSE.19, and HSE.20)

Recommendations for Immediate Action

1. Hire three more nurses to meet the legal requirement.
2. Provide with number of seats able to accommodate all employees in the factory.
3. Install at least nine extra toilets for women as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Even though local law establishes a specific number of nurses per employee; the facility is working in a proper way and providing a quality service to all employees with two dedicated nurses at the facility. Increasing the number of nurses is something not necessary based on the needs and urgencies the facility has.

2. Even though local law establishes a specific number of bathrooms which is higher than international standards, the factory constructed additional bathrooms and are designated by areas. Due to a lack of space facility is not considering installing more bathrooms.

3. Facility constructed a cafeteria area with available seats so employees can take their lunch. In addition, the facility has available benches in the outside areas, so employees can decide if they can take their lunch break there.

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

Based on an in-depth review of the factory's training practices, with respect to nearly all employment functions, training activities are not being adequately carried out. There are some focused training exercises targeting some specific groups of workers. Additionally, administrative staff, supervisors, and managerial staff (HR and production) do not receive follow-up training. In addition, topics related to the SCI Employment Functions have not been included in the factory's training program. [ER.1.2, ER.28.1, and ER.28.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.1.2, ER.28.1, and ER.28.2)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

Finding Status: Partially Remediated

Explanation:

Based on management interviews and documentation review, it was found that the factory has started a training program in all levels of the company. Training records available to review were the following: Freedom of Association, Non-Discrimination, Non-Forced Labor, Compensation, Child Labor, Hours of Work, Communication Mechanisms, Environment, Health, and Safety and Pregnant Women Policies. The factory will provide annual trainings to supervisors on Workplace Conduct/Discipline. However, Environmental, Communication Mechanisms and Hours of Work Trainings have not been effective and need to be revised and properly implemented to guarantee the compliance with the FLA Workplace Code of Conduct and Compliance Benchmark. [ER.1.2, ER.28.1, and ER.28.2]

Root Causes:

1. Facility management does not have a clear strategy and execution training plan in place;
2. Management does not see the need to develop initiatives that transform the organization by providing extra skills;
3. Factory has not seen the need to expand the list of training topics already covered;
4. Lack of awareness about the employees benefits to increase efficiency and productivity;
5. Lack of awareness that trainings also leads to higher job satisfaction, which shows up in better corporate performance.
6. Trainings are not considered priority for management, by prioritizing, they will get better worker's performance.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.28.1, and ER.28.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility provided trainings to all employees during May 2018 and has posted the Communications policy, Hours of Work policy and Environmental policy in different areas to increase employees' awareness. See attached evidence.

PREVIOUS FINDING NO.16

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

Despite the existence of some communication efforts, it was corroborated that the information available for employees in some specific areas is not sufficient. Communication needs to be reinforced on some Employment Functions, which are critical for the factory, such as Hours of Work and Grievance System. In addition, there is no planned follow-up to communicate updates and legal changes to workers on salary increases. Also, communication is unidirectional, meaning that it is from management to workers and not vice versa. [ER.1.2, ER.16.1, and ER.25.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.1.2, ER.16.1, and ER25.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

Finding Status: Not Remediated

Explanation:

Based on worker interviews and factory tours it was found that the factory has grievance channel, round table Procedure and open doors policy with supervisors and manager. However, communication needs to be more effective in order to solve issues related to Hours of Works as well as the promptness to apply any change on The Haitian Labor Code. [ER.1.2, ER.16.1, and ER25.2]

Root Causes:

1. Lack of awareness that effective communication lead to an improvement in overall company performance;
2. Lack of awareness that communication can increase job satisfaction;
3. Management is not following The FLA Sustainable Compliance Initiative (SCI) methodology which includes "Communication" as a Management Function;

4. Management has not seen the need for ongoing and periodic communication with the workforce contributes to growth of the company.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16.1, and ER.25.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility provided trainings to all employees during May 2018 and has posted the Communications policy and important notifications in different areas increasing employees' awareness. See attached evidence.

PREVIOUS FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The worker integration is overall deficient in the factory. Workers are not systematically integrated or consulted on the decision-making processes, especially with respect to Recruitment, Hiring & Personnel Development, Grievance System, Industrial Relations and Environmental Protection. [ER.25.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmark ER.25.2)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

Based on worker interviews it was observed the existence of some management efforts to contribute with the employee's integration,

but this is not effective enough to avoid the risk of lowering their productivity and obtain the worker's opinion especially with respect to Recruitment, Hiring & Personnel Development, Grievance System, Industrial Relations and Environmental Protection. [ER.25.2]

Root Causes:

1. Lack of management understanding that poor employee's integration create confusion at moment to communicate their needs;
2. Management's lack of awareness of FLA Workplace Code and Benchmarks;
3. Management does not make a big effort to involve employees in long-time factory's goal;
4. Management does not pay attention that not involved employees take longer to finish their tasks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility started with employee integration meetings on December 2017 and created a meeting calendar for 2018. If necessary, meetings are done ahead of the programmed calendar date. See attached evidence.

PREVIOUS FINDING NO.18

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. Factory does not conduct periodic reviews of its policies and procedures. [ER.1.3, 30.2, and 31.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.1.3, 30.2, and 31.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

Explanation:

Based on management interview and documentation review, it was found that Facility policies and Procedures have not been regularly

reviewed. Also, it was observed some procedures without the signature nor the last revision date. [ER.1.3, 30.2, and 31.2]

Root Causes:

1. Management has not seen the need to update policies and procedures, unless a legal change has come into effect;
2. Facility does not have staff member assigned with the specific responsibility for reviewing and updating policies and procedures;
3. Management's lack of awareness of FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, 30.2, and 31.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility made the annual policies and procedures revision for 2018. See attached evidence.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

The Pension Fund Contribution (ONA) payment is not generated using the average salary. Based on management interview and documentation review, ONA payment is calculated based on minimum wage of 350 daily Gourdes (USD 5.6 daily). [ER.22, C.1]

Local Law or Code Requirement

Haitian Law CL-09-2009-010, Article 2.2; FLA Workplace Code (Employment Relationship Benchmark ER.22 and Compensation Benchmark C.1)

Recommendations for Immediate Action

Provide the Pension Fund Contribution (ONA) payment based on average wage instead of minimum wage.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The ONA payment calculation based on minimum wage and not on the average salary is a generalized country practice. Since Gildan operates contractors in Haiti, we are working for a sustainable solution. We kindly request an extension of time to work in the correction of this non-compliance.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Three of five emergency exit doors at Diquini Area do not open outwards direction of travel. [HSE.5]

The chemical storage room does not have adequate ventilation which can cause chemical buildup. [HSE.9]

Local Law or Code Requirement

Haitian Labor Code, Articles 439 #7, 469, 470, and 479; FLA Workplace Code (Health, Safety & Environmental Benchmark HSE.5, HSE.9,)

Recommendations for Immediate Action

1.
Keep all exit doors open outward.
2.
Install adequate ventilation at chemical storage room.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. All exit doors were fixed to open outwards, during working hours emergency exits are kept open for easy egress if required. See attached evidence.
2. Facility will build a new window at the chemical storage room to improve ventilation.

NEW FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Five women restrooms and three men restrooms are not clean and sanitized. There was spilled water on the floor. [HSE.20]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environmental Benchmark HSE.20)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility implemented a schedule for housekeeping employees to follow, and a checklist to inspect the toilets conditions daily. In addition, facility trained housekeeping employees in cleaning and sanitary practices. See attached evidence.

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

The following policies were implemented during 2017: Non-Discrimination, Non-Forced Labor, Compensation, Child Labor and Pregnant Women Policies; however, Hours of Work, Communication Mechanisms, Environment, Health and Safety Policies are still in process to be implemented. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility provided trainings to all employees during May 2018 and has posted the Communications policy, Hours of Work policy and Environmental policy in different areas to increase employee awareness. See attached evidence.

NEW FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

No records available observed and no evidence of training provided to employees related to Environmental Protection Policy.

Workers are not aware of the measurements to apply in order to reduce the environmental impact with respect to use and conservation of energy.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.31.3)

Recommendations for Immediate Action

Provide trainings to employees related to Environmental Protection and the use and conservation of energy.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Facility provided trainings to all employees during May 2018 and has posted the Environmental policy in different areas to increase employee awareness. See attached evidence.