



FAIR LABOR
ASSOCIATION

December 14, 2006

Summary Report: Third Party Complaint Regarding El Progreso, Honduras

Complaint

In December 2003, the Fair Labor Association (FLA) received a Third Party Complaint filed by the Maquila Solidarity Network (MSN), supported by the Federation of Honduran Workers and the Canadian Labour Congress (CLC), regarding El Progreso, a factory owned by Gildan located in the vicinity of San Pedro Sula, Honduras. The complainant alleged non-compliance with respect to the Freedom of Association provision of the FLA Workplace Code of Conduct. The complainants specifically alleged discriminatory dismissals of union members.

In February 2004, ALGI, an independent monitor accredited by the FLA, made an unannounced inspection of the factory and confirmed obstruction of workers' right of freedom of association as well as other violations of the FLA Workplace Code of Conduct, including long hours of work, failure to pay overtime, and harassment had occurred.¹ In response, Gildan committed to a remediation plan which included training on freedom of association for all workers, enhancing code awareness through training for all employees conducted by an external group, changes in factory clinics to address concerns by female workers about improper medical examinations, and certain health and safety improvements. However, in July 2004, Gildan closed the El Progreso facility while the remedial program was still in progress.

The failure by Gildan to remedy some of the issues identified by the independent monitoring event at El Progreso, compounded by the closing of the factory, led the FLA Board of Directors in October 2004 to place Gildan on 90-day Special Review. The Board set out several conditions that Gildan would have to meet in order to continue as an FLA Participating Company.² On December 10, 2004, the FLA Board agreed that Gildan had met the conditions and reinstated Gildan as a Participating Company. The FLA Board directed the FLA staff to provide an update on Gildan's progress in implementing the remediation plan by February 2005.³ The FLA staff report indicated that Gildan had taken concrete actions to improve the conditions in their supply chain in factories located in the area where the El Progreso plant was located.

¹ http://www.fairlabor.org/all/transparency/charts_2004/29002930C_Gildan_Hon.pdf.

² <http://www.fairlabor.org/all/news/gildan.html>.

³ <http://www.fairlabor.org/all/news/gildan-rescind.html>.

