



FAIR LABOR  
ASSOCIATION

January 16, 2007

## **Summary Report: Third Party Complaint Regarding Textile Co., Inc., Dominican Republic**

### **Complaint**

On May 28 and May 30, 2006, the Fair Labor Association (FLA) received two separate Third Party Complaints filed by workers who requested confidentiality regarding Textile Co., Inc., in Santo Domingo, Dominican Republic. Both complainants alleged noncompliance with respect to Harassment and Abuse and Non-discrimination provisions of the Workplace Code of Conduct. Specifically, the complaints alleged harassment, verbal abuse, and intimidation by specific managers named in the complaint.

On June 20, the FLA initiated a Third Party Complaint at Step 2, and notified the complainants and the FLA-affiliated company mentioned in the complaint (Gildan Activewear) about its action. Pursuant to Step 2, FLA companies have up to 45-days to conduct an assessment and report back to the Executive Director in writing as to whether noncompliance with the FLA Workplace Code of Conduct occurred and, if so, whether and how it had been remedied.

### **Assessment by Company**

During the 45-day period, Gildan Activewear investigated the Third Party Complaint and developed a strategy to address the allegations through the following action plan:

- Communicate directly to the managers named by the complainants about the allegations against them and request their comments and perspective.
- Travel to the Dominican Republic by senior management from headquarters to assess the situation and interview supervisors.
- Facilitate a training in the Dominican Republic for its in-country leaders, supervisors, and coordinators on Leadership, Harassment, and Communication Skills.
- Engage Verité to conduct a Risk Assessment Audit of Gildan's 15 Code of Conduct standards, with particular emphasis on Harassment and Abuse.

## **FLA Follow-Up**

Gildan Activewear provided the FLA with documentation on the training sessions on leadership, harassment, and communication skills that were conducted in June and July 2006. Similarly, Gildan Activewear provided information on an action plan developed by Verité in the context of a Risk Assessment Audit conducted on August 24-25, 2006. Gildan Activewear has clarified that one of the individuals singled out in the complaint has not occupied a managerial position and this individual is no longer working for Gildan Activewear in the Dominican Republic.

The FLA was unable to get confirmation from the complainants that the situation in the plant had improved as a result of the implementation of the action plan since both workers have left employment with Textile Co., Inc.

## **Conclusion and Next Steps**

Gildan Activewear has implemented a remedial action plan to address the allegations in the Third Party Complaint. The implementation of the action plan, coupled with the change in the complainants' status, warrants the termination of the case at Step 2 of the FLA Third Party Complaint process.

The FLA recommends that Gildan Activewear reinforce and publicize the follow-up process for complaints received through its "Integrity Line," a confidential channel for workers to communicate directly with headquarters personnel about issues that arise at the factory level. This would be helpful in dealing with any harassment and abuse allegations that may arise in the future in any of Gildan Activewear's supplier factories.