

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**25 Oct 2021**



## Factory Information

FLA Affiliates	Branded Custom Sportswear, Inc
Country	Thailand
Number of Workers	482

## Understanding this Report

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.

## FLA Code Element

## Number of Violations

Child Labor (CL)	1
Compensation (C)	4
Employment Relationship (ER)	6
Forced Labor (F)	1
Health, Safety And Environment (HSE)	15

## Assessment Information

Assessor	OneStep Vietnam
Assessment Date	25 Oct 2021

Assessment Purpose

Factory Assessment (Virtual Compliance Check)

## ASSESSMENT RESULTS

### Child Labor (CL)

Benchmark ID	CL.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the prohibition of child labor.
Finding Details	The recruitment procedure of the factory is regulated that the factory will not employ a candidate who is under 18 years old, and the Child Labor policy of the factory is stated that the definition of child labor is under 18 years old. However, workers between the age of 15 years and 18 years are considered as young workers, as legally required, and the factory should not prohibit the employment of young workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Labor protection act B.E. 2541 A.D. 1998, Section 47 and 48

### Compensation (C)

Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country

Finding Details	1) Based on payroll and attendance record reviews during the past 12 months, interviews with factory management and workers, it is noted that the time keeping system of the factory is not reliable for review. For full finding details, please refer to C.18.1. 2) Based on payroll and attendance records reviewed during the past 12 months, interviews with factory management and workers, it is noted that some workers are do not receive a full one hour for lunch break (11:45 – 12:45 or 12:00 – 13:00) as factory regulation. Some interviewed workers confirmed that they worked earlier than the official work hours for 10 – 15 minutes and that they volunteered to work earlier. Workers are not paid for these periods as overtime work. For instance, worker A had their lunch break from 11:46 to 12:31 on September 20, 2021 as checked on the time keeping records (by using swing card system) without overtime payment for the working time in the lunch break.
Recommendation for Immediate Action	1) A) The overtime payment shall be calculated properly and paid sufficiently for all workers. b) Pay back affected workers. 2) a) Break time should be guaranteed for all employees so they could receive it fully. b) The overtime payment shall be calculated properly and paid sufficiently for all workers.
Compliance Classifications	Immediate Action Required
Local Law	The Labor Protection Act B.E. 2541 (1998), Section 27
Benchmark ID	C.24.1
Benchmark Details	Employers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours as set under the FLA Workplace Code, excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.
Finding Details	The production plan record was not available for reference during the assessment time. The factory explained that this data is too large, they could not provide it to the assessors for verification and the factory management confirmed that the production plan was based on 8 regular working hours only. According to FLA Benchmarks, the factory shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours.

Recommendation for Immediate Action	The production plans should be made available for verification during social compliance assessments.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	C.18.1
Benchmark Details	Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.
Finding Details	Based on payroll and attendance record reviews during the past 12 months, interviews with factory management and workers, it is noted that the time keeping system of the factory is not reliable. In details, as a factory practice, workers can not submit annual leave by hours or for only a half day, and can only submit annual leave for a full day. However, the time keeping system still showed the time-in/out of half working day of workers on the day of taking annual leave or personal leave. For example: - Leave tracking record showed that: worker A took annual leave (full day) on September 22, 2021. However, the time keeping system showed that the worker worked from 7:00 – 12:45 on the same day. - Leave tracking record showed that: worker B took personal leave (full day) on April 22, 2021. However, the time keeping system showed that the worker worked from 7:00 – 13:00 on the same day. The factory management explained that the workers were only allowed to submit leave for a full day, and not half of a day and the time keeping system just automatically raised the time-in/out to make sure that the payment would be paid sufficiently for workers. Due to the inconsistent information, the working hours, wages, and benefits of workers could not be fully verified during the assessment time.
Recommendation for Immediate Action	1) The overtime payment shall be calculated properly and accurately. Workers should be paid sufficiently for hours worked. 2) Review payment and pay back leave for affected workers.
Compliance Classifications	Immediate Action Required

Local Law	N/A
Benchmark ID	C.3.1.3
Benchmark Details	Where probationary employment is legally allowed, no workers shall work more than three months in this employment category.
Finding Details	The labor contracts of workers are shown that the probationary period is 119 days instead of the 3 month limit, as required by the FLA Benchmark. In practice, the factory applies 90 days for probationary period, however, the labor contracts are not revised to match with the actual practice.
Recommendation for Immediate Action	The probationary period shall not be applied more than 3 months for all employees.
Compliance Classifications	Immediate Action Required
Local Law	

### Employment Relationship (ER)

Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	Based on training records reviews and confirmation from factory management, it is noted that FLA Code is not included in ongoing training for workers. The factory management explained that they were not aware of this requirement from FLA.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	Based on training record reviews and confirmation from factory management, it is noted that FLA Code is not included in training for supervisors. The factory management explained that they were not aware of this requirement from FLA.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	The factory does not have in place the policy and/or procedure on retrenchment in the case that the factory is faced with major changes in production, program, organization, structure, or technology and the changes result in temporary or permanent layoffs.
Recommendation for Immediate Action	



Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	It is noted that the factory does not have the policy and/or procedure to conduct the performance review for all employees that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.

Finding Details	The factory does not have in place the written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment. As required by FLA Benchmarks, these policies and procedures must be provided in writing and seek feedback from employees, and follow all local legal requirements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.3.1
Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	Based on training records reviews and confirmation from factory management, it is noted that FLA Code is not included in orientation training for all employees. The factory management explained that they were not aware of this requirement from FLA.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Forced Labor (F)

Benchmark ID	F.7.1.4
Benchmark Details	Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any worker's freedom of movement, or ability to terminate their own employment, or that create a threat of penalty. Examples of such practices include, but are not limited to requiring workers to pay recruitment and/or employment fees.
Finding Details	Gathering information from worker interviews, it is noted that there is one migrant worker (Burmese worker) who joined the factory in 2017 and the worker paid approximately 900,000 KYAT (506 USD) in Myanmar for the recruitment fee to the labor agency. However, this worker has not been reimbursed for this fee. The factory management explained that this worker joined in 2017 and there was no available documentation for review at the time of the assessment, the factory management also confirmed that they did reimburse all kinds of recruitment fees to all migrant workers sufficiently.
Recommendation for Immediate Action	The recruitment fee should be reimbursed to all employees including migrant workers.
Compliance Classifications	Immediate Action Required
Local Law	N/A

## Health, Safety And Environment (HSE)

Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	The last first aid training was on August 21, 2020 and there has been no annual training provided in 2021 yet due to the Covid-19 outbreak.

Recommendation for Immediate Action	Provide the first aid training as well as annual training for employees.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment in Relation to Fire protection B.E.2555 (A.D. 2012), Section 28 (2)
Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	The last fire drill was conducted on October 22, 2020 and there has not been an annual fire drill provided in 2021 yet due to the Covid-19 outbreak. In addition, the fire drill at the dormitory has not been conducted semi-annually. The latest fire drill was conducted on October 24, 2020.
Recommendation for Immediate Action	Conduct the annual fire drill for all employees as well as semi-annual fire drill for employees who live in the dormitory.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Regulation, Ministry of Labour, on the prescribing of standard for administration and management of occupational safety, health and environment in relation to fire prevention and control, B.E. 2555 (A.D. 2012), Article 30
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.

Finding Details	1) One out of the two staircases from the mezzanine floor to the ground floor in building 4 is a spiral staircase, which can not be used as an emergency exit staircase. 2) The line markings of some exit aisles on floor at building 2 are faded.
Recommendation for Immediate Action	1) Staircases which are used as emergency exit staircase shall be easy to access and use. 2) Ensure line marking of exit aisles shall be clear and easily identifiable on the floor for each work area.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.5.1.3
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of emergency lighting
Finding Details	1) Emergency light on mezzanine floor at building 2 and 3 is out of order. Moreover, one emergency light along the evacuation route between building 1 and building 2 is also out of order. The factory has corrected this concern on the days of the assessment. 2) There is insufficient emergency light on mezzanine floor at building 3. The factory has corrected this concern on the days of the assessment. 3) There is no emergency light equipping the bathrooms and restrooms at the dormitory. 4) Exit signs in various areas are not illuminated.
Recommendation for Immediate Action	1) Ensure emergency lights shall be checked and maintained regularly to ensure its function. 2) Equip sufficient emergency lights in the working areas. 3) Equip sufficient emergency lights in the dormitory. 4) Exit signs shall be checked and maintained regularly to ensure its function.
Compliance Classifications	Immediate Action Required

Local Law	1, 2, 3) Ministerial Regulation, Ministry of Labour, on the prescribing of standard for administration and management of occupational safety, health and environment in relation to fire prevention and control, B.E. 2555 (A.D. 2012), Article 10 4) Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment in Relation to Fire protection B.E. 2555 (A.D. 2012), Clause 11
Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	Some emergency exit routes and workers are blocked by the materials and semi-products in the building 1, 2 and 3.
Recommendation for Immediate Action	Emergency exit routes (aisles) and workers shall be free from obstruction.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Regulation, Ministry of Labour, on the prescribing of standard for administration and management of occupational safety, health and environment in relation to fire prevention and control, B.E. 2555 (A.D. 2012), Article 8
Benchmark ID	HSE.2
Benchmark Details	All documents required to be available to workers and management by applicable laws (e.g. health and safety policies, MSDS, environmental emergency plans) shall be made available in the prescribed manner and in the local language or language spoken by the workers, if different from the local language.
Finding Details	The latest health examination was conducted on September 7 – 8, 2020 and there has been no annual health examination provided in 2021 yet due to delays caused by the Covid-19 outbreak.

Recommendation for Immediate Action	Provide annual health examination for all employees.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial regulation Re: Rules and procedures for medical examination B.E. 2547 (A.D. 2004), Clause 3
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	There is no toilet tissue provided in the toilet areas. In addition, some waste bins in the toilet areas do not have a cover to keep bins clean.
Recommendation for Immediate Action	1) Equip toilet tissue. 2) Equip cover for waste bins to ensure the sanitation.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	There is no shelf loading limit posted in the warehouse.
Recommendation for Immediate Action	Post shelf loading limit for each shelf in the warehouse.
Compliance Classifications	Immediate Action Required

Local Law	N/A
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1) There is no smoke or heat detector equipped along the route between building 3 and building 4 and there are materials placed along the route. 2) Medicines and first aid supplies labels at a medical room are not in migrant workers' language. 3) There is no logbook for recording the use of first aid supplies on production floors at all buildings. 4) The eye-wash station in the workshop No. 1 has insufficient water. It has around 30% of the capacity only. The factory corrected this concern on the first day of the assessment.
Recommendation for Immediate Action	1) Install smoke/heat detector at necessary areas where place/store material/goods. 2) Provide medicines/first aid supplier labels in migrant worker' language in the medical room. 3) Provide logbook for recording the use of first aid suppliers on working areas. 4) Ensure eyewash facilities shall be worked functionally and checked regularly.
Compliance Classifications	Immediate Action Required
Local Law	Notification of the Ministry of Industry Re: Working Safety relating to protection and prevention of fire in the factory B.E. 2552 (A.D. 2009), Section 4; Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment in Relation to Hazardous Chemical B.E. 2556, Clause 11
Benchmark ID	HSE.4.1



Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	Nine air compressors are not inspected by a certified engineer at least once a year, as required by law. There is only maintenance by an internal mechanism.
Recommendation for Immediate Action	The required equipment shall be inspected and certified by a certified engineer.
Compliance Classifications	Immediate Action Required
Local Law	Notification of the Ministry of Labor Re: Safety measures on boilers, Boiler that uses liquid as a heat medium, and pressure vessel in the factory B.E. 2549 (A.D. 2006), Clause 14
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	The latest waste handling training was conducted on July 31, 2020. There was no annual training provided in 2021 as of the time of the assessment according to the safety plan created for the Covid-19 outbreak.
Recommendation for Immediate Action	Conduct the waste handling training as well as annual training for employees.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.29

Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	There is only one handrail equipped on a staircase for going to the mezzanine floor at building 3.
Recommendation for Immediate Action	Install two handrails for staircases to protect people from falling.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	There are no proper gloves provided to workers who are working with chemicals in the painting section in building 3.
Recommendation for Immediate Action	Provide proper PPE to protect workers from harmful environment and working condition.
Compliance Classifications	Immediate Action Required
Local Law	Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011), Section 22
Benchmark ID	HSE.9.2
Benchmark Details	Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.

Finding Details	The latest chemical leakage training was conducted on August 8, 2020 and no annual training provided in 2021 yet due to the Covid-19 outbreak.
Recommendation for Immediate Action	Conduct the chemical leakage training as well as annual training for workers who work with chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment in Relation to Hazardous Chemical B.E.2556 (A.D. 2013), Clause 8
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	There are no chairs with back-supports (where the height can be adjusted) provided to workers who sit during the working time. The factory provides the normal chair without back-support instead. In addition, no rubber mat or anti-fatigue mat is provided to employees who have to stand during the working time.
Recommendation for Immediate Action	Take proactive steps to reduce repetitive-motion stress or injuries e.g. breaks, adjustable workstations, and provide workers with working stations that minimize bodily strain, such as chairs with back-rests and anti fatigue mats.
Compliance Classifications	Immediate Action Required
Local Law	N/A