



COMPANY: **Nike, Inc**

COUNTRY: **Thailand**

ASSESSMENT DATE: **12/16/17**

MONITOR: **FLA Assessor Team (Turkey)**

PRODUCTS: **Apparel**

PROCESSES: **Cut, Other**

NUMBER OF WORKERS: **623**

NUMBER OF WORKERS INTERVIEWED: **30**

FLA Comments

"This report was submitted to the FLA and the FLA affiliated company by the assessor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the risks and noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to and reviewed by the FLA."

What's Included in this Report

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Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Employment Functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- *Immediate action required:* discoveries or findings at the workplace that need immediate action because they not only constitute

an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Findings and Action Plans

FINDING NO.1

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The current job application form requires information on race, nationality, religion, marital status, military status, blood type, criminal background, diseases, and union background, posing a potential risk for discrimination, which may lead to discrimination during the recruitment process. Although there is no evidence that such information is requested for discriminatory purposes in practice, factory management should collect this data once the applicant has been hired.
2. The factory does not have job descriptions for any of the production positions, as required by FLA Compliance Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.3.1; Nondiscrimination Benchmark ND.2.1)

Recommendations for Immediate Action

1. Remove the discriminatory questions from the employment application form and ensure recruitment and hiring decisions are based solely on the qualifications of the applicant.
2. Revise the current recruitment and hiring procedures to ensure that information related to worker's blood type, military status, race, nationality, religion, marital status, criminal background, diseases, and union background are only collected after workers have been hired.

Verification Result:

1. Finding Status: **Remediated**

Explanation: The current job application form has been revised and there is no requires information on race, nationality, religion, marital status, military status, blood type, criminal background, diseases, and union background, posing a potential risk for discrimination, which may lead to discrimination during the recruitment process. The factory has collect this data once the applicant has been hired and working in the factory.

2. Finding Status: **Remediated**

Explanation: The factory does have job descriptions for all the production positions, as required by FLA Compliance Benchmarks.

FINDING NO.2

COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory has hired 240 Burmese migrant workers, out of a total workforce of 442 production workers. Pay slips are not provided to the Burmese migrant workers in their local language, Burmese.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.13)

Recommendations for Immediate Action

1. Provide pay slips that are in workers' local language. Ensure that all migrant workers understand their compensation, including pay slips.

Verification Result:

1. Finding Status: **Remediated**

Explanation: The factory has updated the Pay slips that provided to the Burmese migrant workers, recently in their local language, Burmese.

FINDING NO.3

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Grievance procedures are available in the company regulations; however, worker representatives were not involved in the development of these regulations. Furthermore, worker representatives are not included in the evaluation of the grievances collected.
2. The factory has two grievance channels, an open door policy and complaint boxes; however, there are no alternative confidential complaint channels provided to the workers, such as emails and hotlines.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmarks ER.25)

Verification Result:

1. Finding Status: **Remediated**

Explanation: Grievance procedures are available in the company regulations; and worker representatives were involved in the development of these regulations. Furthermore, worker representatives are included in the evaluation of the grievances collected with the management for any complaint from workers monthly basis.

2. Finding Status: **Remediated**

Explanation: The factory has at least two grievance channels, an open-door policy and complaint boxes; with alternative confidential complaint channels provided to the workers, such as emails and hotlines.

FINDING NO.4

WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Disciplinary procedures are available in the workplace rules required by law (workplace rules are company regulations and are reviewed by the local labor department before enforcement at the workplace); however, worker representatives have not been

- involved in the development of these regulations.
2. Disciplinary actions are not witnessed by a third party during the imposition.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

Verification Result:

1. Finding Status: Not Remediated

Explanation: Disciplinary procedures are available in the workplace rules required by law (workplace rules are company regulations and are reviewed by the local labor department before enforcement at the workplace); however, worker representatives have not been involved in the development of these regulations. **ER.27**

Root Causes: The factory management does not have sufficient knowledge on FLA Code & benchmarks. And aware of the benefits of worker representatives involved in the development of these regulations.

3. Finding Status: Not Remediated

Explanation: Disciplinary actions are still not witnessed by a third party during the imposition. **ER.27**

Root Causes: The factory management does not have sufficient knowledge on FLA Code & benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27)

FINDING NO.5

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory only has written policies and procedures on promotion, denotation, and job reassignment for permanent workers at the factory; however, there are no written policies and procedures implemented for daily rate workers, posing a potential risk for inequality and discrimination at the workplace.
2. Workers are not provided with written outcomes of promotion, demotion, and reassignment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15, ER.29.1, and ER.30)

Verification Result:

1. Finding Status: Not Remediated

Explanation: The factory only has written policies and procedures on promotion, denotation, and job reassignment for permanent workers at the factory; however, there are still no written policies and procedures implemented for daily rate workers, posing a potential risk for inequality and discrimination at the workplace. **ER.29.1, ER.30**

Root Causes: The factory management does not have sufficient knowledge on FLA Code & benchmarks. And aware of the benefits of worker representatives involved in the development of these regulations

2. Finding Status: Not Remediated

Explanation: Due to no written policies and procedures on promotion, denotation, and job reassignment for implementing to daily rate workers, thus, the workers are still not provided with written outcomes of promotion, demotion, and reassignment. **ER.15**

Root Causes: The factory management is not aware of the need to develop a written policies and procedures on promotion, denotation, and job reassignment for implementing to all workers at the factory

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15, ER.29.1, and ER.30)

FINDING NO.6

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The lung function/spirometry test results for 21 workers were abnormal; however, the factory management has not followed the legal process and sent the reports to the Labor Department.

Local Law or Code Requirement

1. The Ministerial Regulation on the prescribing of criteria and method of conducting health checkup of employees and forwarding the results of health check up to Labor Inspector B.E. 2547(A.D.2004) Clause 9; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.3.1)

Recommendations for Immediate Action

1. Send the test results of the lung function/spirometry test to the Department of Labor, as legally required. Ensure that all legal processes are followed, including any follow-up procedures required by the Department of Labor.

Verification Result:

1. Finding Status: Remediated

Explanation: The factory provided health check for employees on September 2, 2017 for 427 employees. Nine employees had health check result as abnormality detected on spirometry and the factory had follow up process for those cases and reported the result to the Labor Department on October 4, 2017.

FINDING NO.7

HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Factory management keeps the injury/accident reports; however, there is no investigation and analysis conducted in order to prevent future incidents.

Local Law or Code Requirement

The Notification of Ministry of Labor and Social Welfare Re: Occupational Safety and workplace Environmental Management Methodology B.E. 2549 Chapter 1 General; Clause 18; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.3.1)

Verification Result:

1. Finding Status: Not Remediated

Explanation: The factory has an accident/injury report with details of injured person, date and time of accident/injury, detail of accident/injury, cause of accident/injury, supervisor's advice, safety officer's advice and HR's advice but it was not included investigation and analysis conducted in order to prevent future incidents. **HSE.1, HSE.3.1**

Root Causes: Awareness of safety officer and accident/injury report was not reviewed and revised properly.

Local Law or Code Requirement

The Notification of Ministry of Labor and Social Welfare Re: Occupational Safety and workplace Environmental Management Methodology B.E. 2549 Chapter 1 General; Clause 18; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.3.1)

Recommendations for Immediate Action (if applicable)

Establish and conduct accident investigation and analysis conducted in order to prevent future incidents.

FINDING NO.8

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There is not a functioning battery powered centralized fire alarm system at the warehouse building.
2. The fire alarm at the factory building is not audible in all sections and the factory has not tested the audibility of the fire alarm throughout all sections.
3. The factory's internal inspection procedure for the fire alarm batteries is not strictly followed; as a result, monthly inspections have not been performed since August 2015.
4. The emergency evacuation maps are not accurate since on the first and third floor of the production building the emergency routes and fire extinguisher locations are not properly marked.
5. One emergency exit door at the production floor building and two emergency exits at the warehouse and office building have locks/padlocks; however, all doors were unlocked during the day of the visit. Additionally, one emergency exit in the production building and one emergency exit in the warehouse/office building do not open in the direction of evacuation, posing a risk in case of an evacuation.
6. The external emergency stairs at the warehouse building do not lead all the way to the ground level, and are not provided with proper fall protection.
7. Emergency evacuation floor markings have faded and are therefore not visible in the cutting section, and there were temporary obstructions in the evacuation routes in the sewing section.

Local Law or Code Requirement

Notification of Ministry of Industry Re: Fire prevention and protection in the factory BE 2552 Section 4 , Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety, health and environment relating to protection and prevention of fire B.E. 2012 Clause 9, Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety, health and environment relating to protection and prevention of fire B.E. 2012 Clause 2; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5)

Recommendations for Immediate Action

1. Install a functioning battery powered centralized fire alarm system in the warehouse building.
2. Ensure that the fire alarm at the factory building is audible in all sections.
3. Perform monthly inspections of the batteries for fire alarm system in a timely manner.
4. Update emergency evacuation maps to reflect the actual layout of the floors, emergency routes, and fire extinguisher locations.
5. Remove the locks/padlocks from the emergency exit doors and ensure that all of them open in the direction of evacuation.
6. Extend the external emergency stairs at warehouse building to the ground level, and install fall protection.
7. Ensure that emergency evacuation floor markings are visible, and that there are no obstructions on the evacuation routes.

Verification Result:

1. Finding Status: Remediated

Explanation: The factory has installed a functioning battery powered centralized fire alarm system at the warehouse building with linking to the production building. The factory also has tested it monthly to ensure it is workable properly. The last test of the fire alarm system was on 18 December 2017.

2. Finding Status: Remediated

Explanation: The fire alarm at the factory building is already audible in all sections and it is also connected to the warehouse building. The factory also has tested it monthly to ensure it is workable properly. The last test of the fire alarm system was on 18 December 2017.

3. Finding Status: Remediated

Explanation: The factory has installed a functioning battery powered centralized fire alarm system in place. The factory also has tested it monthly to ensure it is workable properly. The last test of the fire alarm system was on 18 December 2017.

4. Finding Status: Remediated

Explanation: Evacuation maps are posted in all floors of building production building and warehouse building. The detailed information including the location of fire extinguisher, 'you are here' , fire alarm, emergency light, evacuation route and first aid box in the language of workers and layout display are matched the actual orientation.

5. Finding Status: Remediated

Explanation: The factory has installed the push-bar doors to replace emergency exit doors with locks/padlocks. All emergency exits are open outwards in the direction of evacuation

6. Finding Status: Remediated

Explanation: The factory has installed the external emergency stairs at the warehouse building leading till ground level, and also provided with proper fall protection.

7. Finding Status: Remediated

Explanation: Emergency evacuation floor markings (arrows) have been re-painted and clearly seen and none of any obstructions was observed.

FINDING NO.9

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There is no visual inspection system to make sure that asbestos roofing material is in tact, and what to do in case of damage.
2. There are no markings/warning signs in asbestos risk areas.

Local Law or Code Requirement

1. FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, and HSE.9)

Recommendations for Immediate Action

1. Perform visual inspections of asbestos roofing material on a regular basis, and document this inspection.
2. Include fiber measurements in the inspection procedure.
3. Provide warning signs at all areas containing.

Verification Result:

1. Finding Status: Remediated

Explanation: The factory has established a policy of (Notice#007/2560 HSE, date: 9 March 2017) and procedure of asbestos materials (PCD-HSE-03-1, date: 9 March 2017). Also the factory has replaced the roof tiles with metal sheets which is none-asbestos roofing material. Furthermore, a restricted area has been designated in the roofing area. Workers cannot access to the roof without permission from management and safety officer. Building visual inspection is conducted monthly.

2. Finding Status: Remediated

Explanation: Markings/warning signs posted for the roofing area are prohibited for the workers. Workers cannot access to the roof without permission from management and safety officer.

FINDING NO.10

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There is no engineering report that verifies that the mezzanine floors have enough load bearing capacity for their current usage.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1 and HSE.25)

Recommendations for Immediate Action

1. Conduct an engineering inspection that verifies the load bearing capacity/ weight capacity for the mezzanine floors. Ensure that load carrying capacities of the mezzanine floors are in line with current load distribution.

Verification Result:

1. Finding Status: Remediated

Explanation: The building inspection for both production and warehouse was conducted by authorized engineer (Engineering License: NT.0466/50) on 26 September 2017. It was certified that both production and warehouse buildings are met the local standard. The load bearing capacity/ weight capacity for the mezzanine floors is allowed at 760 kilogram per square meters.

FINDING NO.11

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Although there is a grounding system in place throughout the buildings, grounding protection is not provided at some sections because of plugs/extension cables used in the factory buildings.
2. There is no lightning rod at the factory. The factory did not check the protecting radius of the lightning rods of the surrounding buildings to ensure that the factory building falls under the protection area.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.13)

Recommendations for Immediate Action

1. Ensure that all plugs/extension cables in all areas of the factory are suitable to connect electrical equipment/machinery to the existing grounding system.
2. Test the protective radius of the lightning rods of the surrounding buildings to ensure that the factory and warehouse buildings fall under their protective radius. If not, install lightning rods for the factory's buildings.

Verification Result:

1. Finding Status: **Remediated**

Explanation: The factory also replaced with 3 prong plugs/extension cables to match with the existing grounding system in the workplace.

2. Finding Status: **Remediated**

Explanation: There was lightning rod available at the factory 's roof and the factory checked the protecting radius of the lightning rods of the surrounding buildings on 26 September 2017 by authorized engineer (License: B. 0051/2550, Register: 0566/50). It meets the local standard.

FINDING NO.12

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The Personal Protective Equipment (PPE) selection available in various sections is not in line with PPE suggestions on Material

- Safety Data Sheets (MSDS) forms, e.g. the factory provided workers in areas where workers use the chemical spray trichloroethylene with carbon-layered masks instead of respirators with VOC (Volatile Organic Compound) filters.
2. There is no system in place for selecting PPE with international quality standard certification marks.
 3. The factory uses trichloroethylene (79-016) containing chemicals (sprayway fusing machine cleaning spray) in the maintenance department; however, this hazardous chemical has been banned by Nike and the factory has not cease the usage of this chemical or replaced the chemical.

Local Law or Code Requirement

The Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011) Section 22; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2 and HSE.7)

Recommendations for Immediate Action

1. Ensure that PPE selection in all sections is in line with the PPE suggested on MSDS forms, and that PPE meet international quality standards. Provide workers with appropriate PPE in the maintenance section.
2. Cease the use of the Trichloroethylene (79-01-6) containing chemical, a sprayway fusing machine cleaning spray.

Verification Result:

1. Finding Status: Remediated

Explanation: The factory has reviewed all chemicals and Material Safety Data Sheets (MSDS) and established a list of specific and appropriate Personal Protective Equipment (PPE) suggested in MSDS of each chemical. Workers are provided with the proper PPE according to the list.

2. Finding Status: Remediated

Explanation: PPE selection system is established in place. The factory has reviewed all chemicals used in the factory with Material Safety Data Sheets (MSDS) and also establish the list of specific and appropriate Personal Protective Equipment (PPE) suggested in MSDS of each chemical. Workers are provided the PPE according to the list.

3. Finding Status: Remediated

Explanation:

1. The factory has cancelled the use of Trichloroethylene as it is a banned chemical for it client.
2. Onsite assessment was conducted to find the way to replacement of the use of Trichloroethylene. The factory has used water to clean the fusing machine instead of Trichloroethylene.
3. Establish work instruction (WI) of fusing machine and a specific provide training for employees who use the fusing machine. The last training was on 9 September 2017 for four Burmese employees by Assistant Supervisor / Cutting section.

FINDING NO.13

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The technician access platform on the roof only has one hand rail on one side, posing a potential falling risk on the other side of the platform.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1)

Recommendations for Immediate Action

1. Provide a proper barrier on both sides of the technician access platform on the roof.

Verification Result:

1. Finding Status: Remediated

Explanation: The technician access platform on the roof has been installed for both side of hand rails. Work Instruction (WI) for working at height and risk area is also established. Training is provided for workers who work at height and risk area. PPE such as body wear, connecting device, and helmet is provided for working at height and risk area. Furthermore, workers who working at height and risk area must apply permit from safety officer and to be approved before starting such work.

FINDING NO.14

ENVIRONMENTAL PROTECTION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The waste storage areas are not properly marked at warehouse building, as legally required.
2. There is mixed solid waste (fabric/paper) in the waste area at warehouse building.
3. Factory management uses scrap fabric to collect used machine oil, rather than collecting it as a liquid, creating more contamination.
4. The ozone depleting refrigerant R-22 (HCFC-22) is used for air conditioning in the factory.
5. There is no system in place for collecting oil-contaminated water that is discharged from compressors, dryers, and air tanks.
6. The outside air-conditioning units are exposed to direct sunlight, which reduces their efficiency.
7. No secondary containment is provided for cleaning chemicals, posing a potential risk in case of spills.
8. There are leaks from the compressed air system in several different sections of the production building. Furthermore, the compressed air is used for cleaning activities that increases dust concentration in the air.
9. Lights are left on at some nonoperational workstations.

Local Law or Code Requirement

The Notification of the Department of Welfare and Labor Protection, Re : Description the criteria and delivery procedure of transportation, storage, delivery and waste disposal or packaging of hazardous chemical, section 3 (4); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.9)

Recommendations for Immediate Action

1. Immediately cease using scraps to collect machine oil, and collect it as a liquid.
2. Provide secondary containment for all chemicals.
3. Cease using the compressed air system for cleaning; if this is not possible reduce the pressure to 2 bars.

Verification Result:

1. Finding Status: Remediated

Explanation: The waste storage areas are well organized, managed and properly marked with the type of waste at warehouse building and wastes are also segregated.

2. Finding Status: Remediated

Explanation: The factor has established the Policy of Environment (Notice#002/2560 HSE, date: 1 March 2017). There are 13 Environment committee (Notice#004/2560 HSE, date: 9 March 2017) established to ensure the Environment Management in the workplace. The waste storage areas are properly marked with the type of waste at warehouse building and wastes are also segregated. No mixed solid waste was noted during the assessment.

3. Finding Status: Remediated

Explanation: Regular maintenance program is established. Daily patrol is conducted to monitor the workplace to ensure the good working condition including machines, tools and equipment. In case of oil leaked from any machines, the maintenance section will immediately take action to find the root cause and repair it. The used machine oil is collected to a specific container and the factory has assigned an authorized collector (Genco) to collect it for further process of treatment. None of any scrap fabric or any material used for collecting the used oil was observed during the assessment.

4. Finding Status: **Remediated**

Explanation: The factory has established the inventory of the ozone depleting refrigerant R-22 (HCFC-22) used for air conditioning in the factory (2017) and also established a policy to reduce and replace the use of the ozone depleting refrigerant R-22 (HCFC-22) used for air conditioning in the factory within 2027 which is in the line of the policy from Ministry of Industrial Work that Thailand will not use the ozone depleting refrigerant R-22 (HCFC-22) within 2030. Furthermore, there is a regular maintenance program and a daily patrol to monitor the workplace to ensure the good working condition including machines, tools and equipment and also ensure the ozone depleting refrigerant R-22 (HCFC-22) will not leak from air conditioners.

5. Finding Status: **Remediated**

Explanation: The oil-contaminated water that is discharged from compressors, dryers, and air tanks is collected to a specific container and the factory has assigned an authorized collector (Genco) to collect it for further process of treatment. None of any scrap fabric or any material used for collecting the oil was observed during the assessment.

6. Finding Status: **Remediated**

Explanation: The factory has equipped the roof for the outside air-conditioning units to prevent they are exposed to direct sunlight, which reduces their efficiency.

7. Finding Status: **Remediated**

Explanation: The factory has provided a secondary container for all chemical containers at the chemical store and the point of use.

8. Finding Status: **Remediated**

Explanation:

1. In production area, the factory has a maintenance program to repair machines in order to prevent leaks from the compressed air system. Example: air collecting bag of overlock machine is fixed and seal properly to prevent air leakage;
2. In sport cleaning room, the compressed air that is used for cleaning activities in the hood connecting to ventilation system, then the dust will be ventilated to outside. The test of air quality is conducted annually. The last test was on 5 May 2017 by OK Environmental Consultant & Research Co., Ltd. and the result was met the local standard.

9. Finding Status: **Remediated**

Explanation: Energy (Electricity & Water) Saving program is also established in place. All employees are communicated to know the importance of Energy (Electricity & Water) Saving program and they must encourage and monitor any area that will not leave the light, machinery, or water in case of they will not use it.

The factory has established the Policy of Environment (Notice#002/2560 HSE, date: 1 March 2017). There are 13 Environment committee (Notice#004/2560 HSE, date: 9 March 2017) established to ensure the Environment Management in the workplace. The factory has monthly monitored the consumption of Electricity and set up the yearly goal to reduce consumption of Electricity.

FINDING NO.15

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The manometers on the pressure vessels are not properly marked with indicators that show working and maximum pressure levels.
2. Ventilation fans in the office and restrooms do not have protective covers.
3. Air tanks are not bolted to the ground at their permanent position.
4. There is no sensor controlled emergency stop for the fabric spreading machine.
5. 30% of the sampled 20% of the lockstitch machines and overlock machines do not have finger protectors and eye protectors respectively at the sewing department.

Local Law or Code Requirement

Ministerial regulation Re: Criteria on administration and management of occupational health & safety and working environment condition related to machinery, crane and boiler B.E. 2552 Section 11; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.14)

Recommendations for Immediate Action

1. Ensure that machine guards are used at all times. Regularly conduct training and communicate workers on the importance and requirement of using machine guards.
2. Bolt air tanks to the ground.
3. Install a sensor controlled emergency stop on the fabric-spreading machine.

Verification Result:

1. Finding Status: Remediated

Explanation: The manometers on the pressure vessels are properly marked with indicators that show working and maximum pressure levels.

2. Finding Status: Remediated

Explanation: The factory has repaired and equipped the cover for the ventilation fans in the office and restrooms.

3. Finding Status: Remediated

Explanation: Air tanks are already bolted to the ground at their permanent position.

4. Finding Status: Remediated

Explanation: The fabric spreading machine has been equipped with breaking system and workers are trained on how to use it. They could present and explain how to use during the assessment. Work instruction of fabric spreading machine is displayed at the point of use.

5. Finding Status: Remediated

Explanation: All lockstitch machines and overlock machines are equipped with finger protectors and eye protectors respectively at the sewing department.

FINDING NO.16

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

finding Lapidation

1. The compressor ventilation hood is insufficiently repaired with tape.
2. There is no proper exhaust system provided for the vacuum of the automatic cutting machine.
3. The fans in production areas increase the dust concentration in working environment.
4. The vacuums of the overlock machines are not working efficiently due to poor maintenance and improper use.
5. No protective cover is provided for the illumination equipment at chemical warehouse.

Local Law or Code Requirement

Ministerial regulation Re: Criteria on administration and management of occupational health & safety and working environment condition related to machinery, crane and boiler B.E. 2552 Section 11; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.14)

Recommendations for Immediate Action

1. Properly maintain and inspect the use of the vacuum system for all machines.
2. Properly fix the compressor ventilation hood.
3. Install a proper system for maintenance of all overlock machines.
4. Provide protective covers for the illumination equipment at the chemical warehouse.

Verification Result:

1. Finding Status: Remediated

Explanation: The compressor ventilation hood was properly repaired. None observed any machine, tools/equipment is improperly repaired during the assessment.

2. Finding Status: Remediated

Explanation: The factory has equipped a proper exhaust system provided for the vacuum of all automatic cutting machines. The test of air quality is conducted annually. The last test was on 5 May 2017 by OK Environmental Consultant & Research Co., Ltd. and the result was met the local standard.

3. Finding Status: Remediated

Explanation: The factory has equipped a ventilation system provided in the production area. The test of air quality is conducted annually. The last test was on 5 May 2017 by OK Environmental Consultant & Research Co., Ltd. and the result was met the local standard.

4. Finding Status: Remediated

Explanation: In production area, the factory has a maintenance program to repair machines in order to prevent leaks from the compressed air system and air collecting bag and vacuum of overlock machine is fixed and seal properly to prevent air leakage.

5. Finding Status: Remediated

Explanation: The factory has equipped an anti-sparkling light in the chemical warehouse and fabric warehouse.

HEALTH & SAFETY**FINDING TYPE:** Immediate Action Required**Finding Explanation**

1. There are no adjustable chairs/stools, and anti-fatigue mats are not provided to all standing workers.
2. The factory has heavy rolls in the fabric warehouse and workers lift finished goods and fabric rolls manually. However, there is no defined and posted maximum weight limit of 20kg in the fabric warehouse for manual handling activities at work, such as lifting, pushing, lowering, pulling or carrying, posing a risk for injuries. In addition, workers are not trained on lifting techniques and the requirement to use mechanical devices for loads above 20kg or carry heavy loads collaboratively with another worker.
3. No assessment has been carried out to identify any medicines in the workplace health unit that needs to be refrigerated.
4. Potable and non-potable water sources are not labeled as such to ensure safe water drinking.
5. There is no defined procedure for drinking water filter changes.
6. The water tanks at some drinking water dispensers are not clean.
7. There are no protective covers on the eye washing stations against contamination.

Local Law or Code Requirement

The Notification of Ministry of Public Health No.61 (B.E.2524 and No.135 (B.E.2534) and FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.17 and HSE.23)

Recommendations for Immediate Action

1. Define maximum weight limits for handling finished goods and fabric rolls in the fabric warehouse. Regularly train and communicate workers on the maximum weight limit of 20kg and lifting techniques.
2. Label potable and non-potable water sources.
3. Create procedures to ensure that drinking water dispensers are cleaned regularly.
4. Install protective covers on the eye wash stations.

Verification Result:

1. **Finding Status: Partially Remediated**

Explanation: The factory has ergonomic program in place. Workers are properly trained on ergonomic program such as lift technique for warehouse workers. Also the factory has provided adjustable chairs/stools, and anti-fatigue mats are not provided to all standing workers.

2. **Finding Status: Remediated**

Explanation: The factory has heavy rolls in the fabric warehouse and workers lift finished goods and fabric rolls manually. There is defined and posted maximum weight limit of 20kg in the fabric warehouse for manual handling activities at work. Workers are trained on lifting techniques (Orientation program and specific training program) and the requirement to use mechanical devices for loads above 20kg or carry heavy loads collaboratively with another worker. The last training was provided by chief of safety department on 17 November 2017 for 5 workers.

3. **Finding Status: Remediated**

Explanation: The factory has reviewed and establish the list of all medicines used in place. None of medicines needs to be refrigerated.

4. **Finding Status: Remediated**

Explanation: Potable and non-potable water sources are properly labeled as such to ensure safe water drinking.

5. **Finding Status: Remediated**

Explanation: The factory has defined procedure for drinking water filter changes. The filter will be changed

as per its schedule specified in its use manual. Weekly filter cleaning program is established and the last cleaning schedule was on 20 December 2017. The last change of filter was done on 15 November 2017 by maintenance section.

6. **Finding Status: Remediated**

Explanation: The water dispensers are clean daily by maid. All dispensers look clean during the assessment.

7. **Finding Status: Remediated**

Explanation: The factory has provided the protective covers on the eye washing stations against contamination

(NEW) FINDING NO.18

POLICY & PROCEDURES (MACRO)

FINDING TYPE: Sustainable Improvement Required

1. The factory does not have written policies and procedures on industrial relations, only freedom of association policies and procedures are available in workplace. **ER.1, ER.25**

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, and ER.25)

(NEW) FINDING NO.19

RESPONSIBILITY & ACCOUNTABILITY (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The factory has not clearly defined, in writing, the person(s) responsible for overseeing the implementation of any of the employment functions. The responsibilities are only partly and informally defined. **ER.1**

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

(NEW) FINDING NO.20

COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory provides an extra bonus (THB 300 (USD 10)) to three workers on a monthly basis; however, the factory has not established clear criteria or guidelines on how the bonus is awarded. Currently, the bonus is decided by management. **ER.1 C.17, ND.3**

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1; Compensation Benchmark C.17; Non-discrimination Benchmark ND.3)

Recommendations for Immediate Action (if applicable)

1. Establish clear criteria and guidelines for the bonus. Communicate to workers and supervisors the criteria before implementing to avoid issues of discrimination.

(NEW) FINDING NO.21

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Migrant workers from Myanmar must undergo a legally required health examination to obtain a work permit for Thailand. This examination requires a pregnancy test and tests for lymphatic filariasis, leprosy, tuberculosis, syphilis, and drugs and alcohol. The results of the pregnancy tests are recorded in workers' health examination reports upon hiring. **ND.5.1, ND.5.2, ND.10**

Local Law or Code Requirement

FLA Workplace Code (Non-Discrimination Benchmarks ND.5.1, ND.5.2, and ND.10)

Recommendations for Immediate Action

1. Cease the recording on the results of pregnancy test in the health examination report upon hiring and the extension of the Burmese migrant workers' contracts. Ensure that pregnancy test results cannot be used as a discriminatory practice.

(NEW) FINDING NO.22

HEALTH & SAFETY (FIRE & EVAC)

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory does not commission a third-party expert to conduct a fire risk assessment; the factory has only conducted an internal fire risk assessment, done by an internal safety officer. **HSE.5, HSE.1**
2. The factory location is in a dense area and has limited space, therefore, the assembly assessment point is on the street in front of the factory building. This area is obstructed by parked cars. **HSE.5**

Local Law or Code Requirement

Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety ,health and environment relating to protection and prevention of fire B.E. 2012 Clause 8 The 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 clause 8.FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.5)

Recommendations for Immediate Action (if necessary)

1. Commission a third-party expert to conduct a fire risk assessment.
2. Assembly area should not also pose obstruction to emergency services, or factory shall setup the procedure to count and check the no. workers after emergency evacuate & ensure that they are evacuate to the safety area.

(NEW) FINDING NO.23

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There is no evidence to show that local authority has approved the extension of the mezzanine floor of production and warehouse building. **HSE.1**
2. The extension of mezzanine floor of production and warehouse building has a wood floor, which is not a fire- resistant material. **HSE.1**

Local Law or Code Requirement

The Building Act B.E, 2522, Clause 21 and FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

Recommendations for Immediate Action

1. Contact the local authority for the approval of extension of the building.

2. Establish a plan to replace the wood floor or mezzanine floor of production and warehouse building
3. Construct the mezzanine floor of production and warehouse building with the fire-resistant material.

