

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

04 Jul 2024



Factory Information

FLA Affiliates	Lululemon Athletica Inc.
Country	Thailand
Number of Workers	1927

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

Compensation (C)	1
Employment Relationship (ER)	1
Forced Labor (F)	1
Health, Safety And Environment (HSE)	3
Hours Of Work (HOW)	1
Nondiscrimination (ND)	1

Assessment Information

Assessor	SCSA
----------	------

Assessment Date	04 Jul 2024
-----------------	-------------

Assessment Purpose	Factory Assessment (In-Person)
--------------------	--------------------------------

ASSESSMENT RESULTS

Compensation (C)

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 probation period for probationary workers is 119 days, which exceeds the 90-day period.
Recommendation for Immediate Action	
Compliance Classifications	Immediate Action Required
Local Law	

Employment Relationship (ER)

Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	Workers are not consulted or integrated in the decision-making process of aspects concerning workplace and working conditions (e.g. creation or revision of policies and procedures, changes in production processes, hours of work, etc.).
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	Myanmar Migrant workers reported that they paid 1,500,000 – 2,000,000 Kyte (15,000 – 20,000 Baht) to the labor agent in Myanmar but they had only been paid back 1,500 Baht (for traveling to Thailand by bus) and 6,500 Baht for traveling to Thailand by plane), which did not cover the full amount that migrant workers paid to the labor agent in Myanmar.
Recommendation for Immediate Action	The factory should carry out the migrant workers' recruitment fee survey and reimburse the recruitment fee to the migrant workers. The regular recruitment fee survey shall be included in the HR plan.
Compliance Classifications	Immediate Action Required
Local Law	
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.5.1.2
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 fire alarms;

Finding Details	<p>1. The facility installed a centralized automatic fire alarm system (smoke/heat detectors) covering Building B with 5685.05 sqm. (2 fire detectors in storage), Building G with 5000 sqm. (14 fire detectors) and Building E with 5,577.79 sqm. (9 fire detectors equipped only in the packing room and finished goods room). However, the control panel of the fire detectors was not able to be monitored during non-working hours, as it is located in front of the production building E and between Building A & Building B. 2. Fire detectors in other areas in Building A, Building B, Building C, Building D, Building E, the finished goods warehouse, and the NDC Building are equipped on stand-alone type instead of a centralized system.</p>
Recommendation for Immediate Action	<p>Factory shall ensure all alarm detectors should be centralized and can be monitored by the designated personnel at all times.</p>
Compliance Classifications	<p>Immediate Action Required</p>
Local Law	<p>The Notification of the Ministry of Industry Re: Working Safety relating to protection and prevention of fire in the factory B.E. 2552 section 4 The buildings of factory shall install the alarm detectors covered all areas of each building based on the suitable and nature of those areas. Specially, in the areas that no employees are working there as usual and have some electricity equipment or have easily flammable objects shall install the automatic alarm detector. The alarm detector shall be eligible to show the signal automatically with no need to connect with the light and machine electricity systems or having its own electrical power which can be used at least 2 hours.</p>
Benchmark ID	<p>HSE.6.1</p>
Benchmark Details	<p>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.</p>

Finding Details	1. The facility installed 230 automatic fire extinguishers in Building G – Raw Material warehouse (5000 sqm.), and 76 automatic fire extinguishers in the finished goods warehouse (1,500 sqm.). The number of automatic fire extinguishers was lower than the law requirement, and they were higher than 5 meters from the floor or goods. The specification of automatic fire extinguishers is that each one covers 16 sqm. and at 10 Ibs., and the detector shall be 3 meters away from the goods. (2) This automatic fire extinguisher system was not considered equivalent to the sprinkler system that is required by law.
Recommendation for Immediate Action	The facility should install the automatic sprinkler system in such areas, as per law requirements.
Compliance Classifications	Immediate Action Required
Local Law	The Notification of the Ministry of Industry Re: Working Safety relating to protection and prevention of fire in the factory B.E. 2552 section 12 the factory that maintains the materials or products which are easily flammable objects as well as having the total areas of at least 1,000 square meters shall install the Automatic Fire Extinguishment System for the total areas such as Automatic Sprinkler System or other equivalent system.
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	The facility notified a list of usage and possession of 38 hazardous chemicals on January 16, 2024 to the Labor Department (Sor Aor 1). However, it did not include 2 hazardous chemicals used in the facility: Sprayway – Silicone and Sprayway – Fusing Machine Cleaner, as per law requirement.
Recommendation for Immediate Action	Factory shall ensure that all hazardous chemicals are reported to the local labor department, as per law requirement.

Compliance Classifications	Immediate Action Required
Local Law	The 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 (2013) Clause 2 The employer who occupy the chemicals in the workplace shall conduct the list of occupied chemicals (Sor. Or. 1) and the details of chemical or Material Safety Data Sheet (MSDS) in Thai language and notify those documents to the relevant government department within 7 days after the occupy date.

Hours Of Work (HOW)

Benchmark ID	HOW.20
Benchmark Details	Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.
Finding Details	The factory's production plan is not based on regular working hours only (48 hours per week). It includes overtime for 12 hours per week for production planning.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Nondiscrimination (ND)

Benchmark ID	ND.12
--------------	-------

Benchmark Details	Employers shall take measures to reasonably accommodate workers with (chronic) illnesses, including HIV/AIDS-related illnesses, which could include rearrangement of working time, the provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.
Finding Details	The factory does not have any system or measures in place to consider the chronic illness of workers when making the working arrangements or formulate measures to accommodate workers with chronic illnesses.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

