



COMPANY: **WinCraft Inc.**  
COUNTRY: **Thailand**  
ASSESSMENT DATE: **11/26/15**  
MONITOR: **Global Standards (Vietnam)**  
PRODUCTS: **Other**  
PROCESSES: **Other**  
NUMBER OF WORKERS: **200**  
NUMBER OF WORKERS INTERVIEWED: **20**  
ASSESSMENT NUMBER: **AA0000001917**

## 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

- Understanding this Assessment Report
- Glossary
- Score by Employment Function
- Score By Management Function
- Score Summary
- Summary of Code Violations Table
- Findings and Action Plans

# 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.

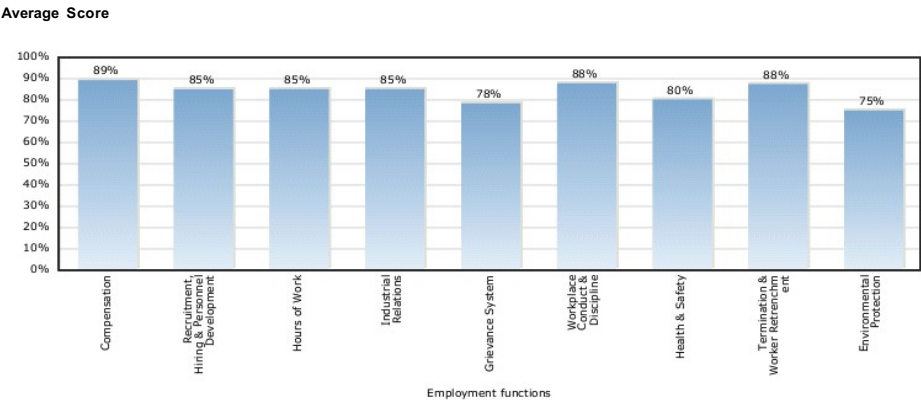
**Root causes**: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be 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.

# Factory Profile

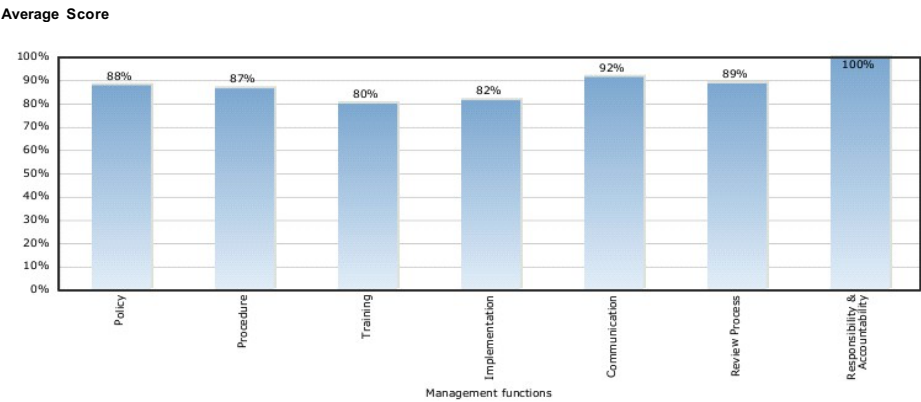
## Score by Employment Function

Scores indicate a factory’s performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



## Score by Management Function

Scores indicate a factory’s performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



## Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	85.71%	100%	83.33%	66.75%	83.33%	66.67%	83.33%	60%	83.33%
Procedure	66.6%	61%	100%	100%	100%	91.67%	100%	89.66%	25%
Responsibility & Accountability	100%	100%	100%	100%	100%	100%	100%	100%	100%
Review Process	100%	100%	100%	100%	0%	100%	100%	100%	66.67%
Training	82.14%	66.67%	33.33%	0%	33.33%	100%	100%	98.46%	100%
Implementation	91.03%	85.71%	90%	100%	71.43%	100%	94.44%	74.58%	60.43%
Communication	83.33%	100%	100%	50%	50%	100%	100%	100%	100%

## Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations	Violations
Compensation	2	Deposit of Legally Mandated Deductions Calculation Basis for Overtime Payments
Employment Relationship	11	General/Human Resource Management Systems Terms and Conditions/Contract, Contingent or Temporary Workers Terms and Conditions/New Employee Orientation Terms and Conditions/Supervisor Training General/Documentation and Inspection Administration of Fringe Benefits/Holidays, Leave, Legal Social Benefits and Bonuses Administration of Hours/Time Recording System Industrial Relations Skills Development/Management of Performance Reviews Recruitment and Hiring/Employment Decisions Skills Development/Promotion, Demotion and Job Reassignment
Hours of Work	5	Annual Leave Annual Leave/Wage Payments Suspension of Work Rest Day Meal and Rest Breaks
Health, Safety and Environment	9	General Compliance Health, Safety, and Environment Material Safety Data Sheets/Workers Access and Awareness Machinery Safety, Maintenance and Workers Training Ergonomics Sanitation in Workplace Facilities Drinking Water Permits and Certificates Evacuation Requirements and Procedure Chemical Management and Training
Non-Discrimination	3	General Compliance Nondiscrimination Recruitment and Employment Practices/Job Advertisements, Job Descriptions and Evaluation Policies Protection and Accommodation of Pregnant Workers and New Mothers

## Findings and Action Plans

### FINDING NO.1

### RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

## **FINDING TYPE: Immediate Action Required**

### **Finding Explanation**

1. The factory has a 119-day probation period. While this is in line with local law, it violates the FLA Workplace Code limit of a three-month probation period.
2. A copy of the employment contract is not provided to workers after it is signed.
3. The factory does not have written anti-discrimination policies and procedures.
4. Job advertisements/announcements include gender and age requirements, such as the requirement to be between 25-40 Year olds for mixing workers, only male and between 22-35 year olds for cutting workers, and between 20-30 years olds for Quality Control and screen workers.
5. There are no written procedures on Recruitment, Hiring & Personnel Development.
6. Written outcomes of promotion, demotion and reassignment are not provided to workers.
7. There are no written job descriptions for any of the positions.
8. The factory does not have any procedures in place for protecting pregnant women and new mothers, as legally required (e.g., exemption from arduous work). (Note: Assessors found no evidence of violations except for the lack of procedures.)

### **Local Law or Code Requirement**

FLA Workplace Code (Compensation Benchmark C.3; Employment Relationship Benchmarks ER.1, ER.3, ER.5, ER. 14, ER.29, and ER.30; Nondiscrimination Benchmarks ND.1 and ND.2)

### **Recommendations for Immediate Action**

1. Ensure that probation period is limited to three months.
2. Ensure that copies of the signed employment contracts are provided to all workers.
3. Remove all gender and age requirements from the job advertisements/announcements.

### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

**Recommendations for Immediate Action (if applicable)**

1.



## COMPENSATION

## FINDING TYPE: Immediate Action Required

Finding Explanation

1. The workers in sewing section are paid based on piece rate; however, they receive less than the legally required 150% rate for overtime work since the factory only pays them the standard piece rate during overtime hours.
2. The factory does not provide the legally mandated payment for unused annual leave to workers who resign.
3. The factory's written policy states that worker must submit the medical certificate when they take sick leave for three or more consecutive days to claim paid sick leave. The majority of interviewed workers mentioned that they are not compensated for any sick leave taken under three days. Sick leave records verified that factory management only accepts sick leave absences with the duration of three or more days.
4. The factory has implemented a wage deduction policy for late arrival, which is not in line with local law requirements. The deductions are rounded up to the nearest half-hour; for example, 30 minutes of compensation is deducted for 16-30 minutes of late arrival.
5. Contracted security guards are not compensated for their sick leave and annual leave.
6. The cost of contracted security guards' uniforms were deducted from their salaries: a total of 3,000 THB per set is deducted in monthly installments along with a bank transaction fee of 6 THB per month.
7. The factory does not correctly calculate the payout in terms of the different types of Termination (resignation, redundancy, performance, and disciplinary).

Local Law or Code Requirement

Labor Protection Act B.E. 2541 Section 61, Labor Protection Act B.E. 2541 Section 67, the Labor Protection Act B.E. 2541 Section 57, Labor Protection Act B.E.2541 Section 76, the Labor Protection Act B.E. 2541 Section 57, Labor Protection Act B.E.2541 Section 76; FLA Workplace Code (Compensation Benchmarks C.1, C.7, and C.10; Hours of Work Benchmarks HOW.11, HOW.14, and HOW.19; Employment Relationship Benchmark ER.19)

Recommendations for Immediate Action

1. Ensure that the the legally required overtime premium rate is paid at 150% of the standard piece rate for piece rate workers. Ensure that the workers are compensated for the arrears resulting from the underpayment.
2. Pay outstanding/unused annual leave days for resigned workers. Retroactively compensate recently resigned workers who did not receive pay for their unused leave days.
3. Ensure that the factory's policy on paid sick leave complies with local law, and allows workers to use sick leave for time absent less than three consecutive days.
4. Cease the practice of rounding up late arrival deductions to the nearest half-hour.
5. Ensure that there is a system in place for controlling working conditions of contractors, like security guards. Do not charge security guards for their uniforms. Reimburse the security guards for the uniform deductions. Ensure that contractors are compensated for their sick and annual leave, and not subjected to a deduction of 6 THB/month bank fee by their company.

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)



**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Local Law or Code Requirement**

(For findings verified to be “Partially Remediated” or “Not Remediated”, please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

1.

### **FINDING NO.3**

#### **INDUSTRIAL RELATIONS**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. The factory does not arrange a meeting with the Welfare Committee at least once every three months; at the time of the assessment (late November 2015) the most recent meeting was conducted back in July 2015. In addition, there has not been an election for a new Welfare Committee for more than two years.

**Local Law or Code Requirement**

Labor Relations Act B.E. 2518 Section 50; FLA Workplace Code (Employment Relationship Benchmark ER.25)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

### **FINDING NO.4**

#### **GRIEVANCE SYSTEM**

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. There is no effective grievance system in place that is supported by detailed written procedures. Workers lack knowledge of the existing Grievance policy and do not know the procedures for handling complaints. Also, there are no anonymous grievance channels (e.g. suggestion boxes).

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.25)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### **Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

## **FINDING NO.5**

### **TRAINING (MACRO)**

#### **FINDING TYPE: Sustainable Improvement Required**

##### **Finding Explanation**

1. Workers do not receive written documentation that substantiates all the issues covered in orientation.
2. Supervisors are not trained in national laws, regulations, the FLA Workplace Code, and the appropriate practices to ensure compliance.

##### **Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.15.3 and ER.17)

##### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

##### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### **Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

## **FINDING NO.6**

## RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. The factory's in-house sewing capacity is not sufficient to cover all sewing needs. Therefore, factory is using subcontractors on a continuous basis. However, there is no system to ensure social compliance standards are met at these subcontractors.

#### Local Law or Code Requirement

FLA Principles of Fair Labor & Responsible Sourcing, Principle 8: Responsible Purchasing Practices

#### Recommendations for Immediate Action

1. Establish a monitoring system to ensure social compliance standards are met in subcontractor facilities.
2. Work with the FLA affiliate company in order to reduce the need for seasonal extra capacity.

#### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Local Law or Code Requirement

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

#### Recommendations for Immediate Action (if applicable)

- 1.

## FINDING NO.7

### HOURS OF WORK

### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. Five workers in the sewing section were working during lunch break at the time of the assessment.
2. Employees at warehouse and production sections are provided with a 30-minute break during the regular workday instead of 60 minutes, as required by law.
3. The factory includes excessive overtime as a general practice in its production planning. Production planning is based on a 60-hour work week.
4. The factory does not accurately record overtime and work done on rest days for workers throughout all production departments in order to hide excessive overtime. Due to the following incidents, assessors were not able to verify compliance with respect to Hours of Work and Compensation:
  1. The factory does not accurately record the compensation of workers working on rest days in workers' official attendance and payroll records. Interviews with production workers throughout all departments showed that they do not receive a rest day (Sunday) in every seven-day period from time to time. Workers are not provided a compensatory day off subsequently.
  2. Interviews with workers and supervisors revealed that workers in the sewing department work excessive overtime and work regularly on rest days. However, the factory does not record the actual time worked in the official time records.

#### **Local Law or Code Requirement**

The Labor Protection Act B.E. 2541 Section 27, Labor Protection Act. B.E. 2541 Section 62, and FLA Workplace Code (Employment Relationship Benchmark ER.1; Hours of Work Benchmarks HOW.1, HOW.2, and HOW.3)

#### **Recommendations for Immediate Action**

1. Ensure that warehouse and production workers are provided with 60-minute break time, in accordance with local law.
2. Ensure that workers do not work during the lunch breaks, even if it is voluntary; cut the power to the production machines and turn off the lights during break time to ensure compliance. Regularly train and communicate to all workers on the requirement to take breaks.
3. Record all working hours and payment for all workers, including excessive overtime and work done on rest days. Ensure that the payroll records maintained are authentic and accurate.
4. Ensure that workers are provided with one day off in every seven-day period, and that no Sunday work is performed by production workers.

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### **Verification Result:**

## 1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

### **Local Law or Code Requirement**

(For findings verified to be “Partially Remediated” or “Not Remediated”, please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

### **Recommendations for Immediate Action (if applicable)**

1.

## **FINDING NO.8**

### **HEALTH & SAFETY**

#### **FINDING TYPE: Immediate Action Required**

##### **Finding Explanation**

1. There is no backup battery provided for the fire alarm system as legally required.
2. Fire drills are not performed for the second and third shifts as legally required.
3. The number of fire hoses is not in line with local law requirements: The factory only has one fire hose for the whole factory.
4. Fire drill logs do not include the following necessary information: attendance time, announced or unannounced, alarm type, issues observed during evacuation, fire alarm safety systems, and the signatures of EHS committee members.
5. The emergency assembly area is not properly marked and identifiable and there are no signs leading to the emergency assembly areas.
6. 30% of the fire extinguishers checked were not located at their permanent positions. For example, a fire extinguisher was missing from its location in the UV section.
7. There are no fire alarm buttons on the second and third floors of the administrative building.
8. The factory has sliding doors as emergency exit doors in the sewing section instead of push-bar doors that open in the direction of evacuation.
9. 50% of the emergency evacuation signs are not illuminated as legally required.
10. Several aisles in the warehouse area are blocked by goods and material, posing a risk for safe evacuation.
11. Fire extinguisher maintenance forms did not have inspection signatures as legally required.
12. There is no standard for arranging the cars parked on the factory premises. This could hinder evacuation, and prevent access by fire trucks/ambulances in case of an emergency.

##### **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 Article 13, 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 (2), 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 8-9-12, 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, Notification of Ministry of Industry Re : Fire prevention and protection in the factory BE 2552 Section 4; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.5, and HSE.6)

##### **Recommendations for Immediate Action**

1. Provide a backup battery for the fire alarm system.
2. Perform fire drills for the second and third shifts on a regular basis. Ensure that all workers throughout all shifts are covered for the factory's fire and evacuation training.
3. Ensure that the number of fire hoses is in line with local legal requirements.
4. Ensure that fire drill logs have all necessary details.
5. Mark emergency assembly areas, and provide signs leading to this area.
6. Ensure that all fire extinguishers are located at their permanent positions.

7. Provide fire alarm buttons on the second and third floors of the administrative building.
8. Cease the practice of using sliding doors as emergency exits. Replace all sliding doors at emergency exits with push bar doors that open in the direction of evacuation.
9. Ensure that all emergency evacuation signs are illuminated. Establish an effective maintenance system to ensure that all emergency evacuation signs are illuminated at all times.
10. Clear all of the aisles in the warehouse area from stored materials.
11. Place a fire extinguisher at the marked position in the UV section.

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)



**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Local Law or Code Requirement

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

#### Recommendations for Immediate Action (if applicable)

1.

## FINDING NO.9

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. A large part of the production and warehouse areas contain asbestos roofing material; however, the factory does not provide any warning signs indicating asbestos usage in these areas and informing workers and visitors about the potential hazard. In addition, the factory does not perform any fiber measurements or visual inspection of the roofing material to ensure necessary precautions are taken.

##### Local Law or Code Requirement

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

##### Recommendations for Immediate Action

1. Perform periodic visual inspections of the asbestos containing roofing material.
2. Provide asbestos warning signs in these areas.
3. Perform fiber measurements, if needed.

#### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Local Law or Code Requirement

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

## Recommendations for Immediate Action (if applicable)

1.

### FINDING NO.1

#### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. Electrical panels had open covers.
2. Many of the extension cables, sockets, and plugs in the production area are not in good condition.
3. There is no grounding connection for most of the sockets in the factory building.

##### Local Law or Code Requirement

Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety, health and environment relating to electric management: B.E. 2015; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.13)

##### Recommendations for Immediate Action

1. Provide all sockets in the factory buildings with grounding connections, especially for high current devices like welding equipment.
2. Ensure that the electrical panel covers are kept closed all the times, and that extension cables, sockets, and plugs are maintained in good condition.

##### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

##### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

##### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

## Local Law or Code Requirement

(For findings verified to be “Partially Remediated” or “Not Remediated”, please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

## Recommendations for Immediate Action (if applicable)

1.

### **FINDING NO.11**

## **HEALTH & SAFETY**

### **FINDING TYPE: Immediate Action Required**

#### Finding Explanation

1. 2 out of 14 randomly selected chemicals did not have any Material Safety Data Sheets (MSDS) and 4 out of the 14 had only MSDS in English, but not the local language (Thai). In addition, the factory does not have a chemical inventory with complete MSDS for all chemicals used in the factory.
2. Personal Protective Equipment (PPE) is not in line with the PPE suggested on MSDS forms. For example, an operator was working with a hazardous chemical, thinner, without the usage of proper PPE during the assessment. The worker did not wear gloves and was using a dust mask instead of an active carbon mask.
3. There is not a system in place for identification and replacement of hazardous chemicals (such as Toluene (108-88-3) or Ketone (108-10-1) containing Tenco AA 600) with less hazardous alternatives.

#### Local Law or Code Requirement

The Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011) Section 17, The Ministerial Regulation on setting standards for management and implementation of occupational health and safety in the work environment with dangerous chemicals BE 2556 Article 11; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.9, and HSE.10)

#### Recommendations for Immediate Action

1. Create a chemical inventory with complete MSDS forms of all chemicals in the languages spoken by workers.
2. Provide PPE in line with the PPE suggested on MSDS forms.
3. Create a system for identifying hazardous chemicals and replacing them with less hazardous alternatives.

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

### **Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

### **Recommendations for Immediate Action (if applicable)**

1.

## **FINDING NO.12**

### **HEALTH & SAFETY**

#### **FINDING TYPE: Immediate Action Required**

#### **Finding Explanation**

1. None of the high-risk machines (lathes, drill and grinding machines) in the mechanical workshop are provided with proper machine guards.
2. Operators are not using the finger and eye protectors on the stitching machines.
3. Compressed air hoses are connected using fabric pieces and tape.
4. The most recent boiler inspection was conducted on April 21, 2014, which was past the renewal date at the time of the assessment. Also, there is a certified boiler operator for the first shift, but not for the second or third shift, as legally required.
5. The factory has not conducted the legally required annual inspection of the two air receiver tanks.
6. A crane operator was not provided with the legally required training.
7. The working and maximum pressures are not marked on the pressure vessels' manometers.

#### **Local Law or Code Requirement**

Ministerial regulations Standards for the management of occupational health and safety management and Environment and working with machinery, crane and boiler BE 2552 Section 66, 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 94, The 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, HSE.2, and HSE.14

#### **Recommendations for Immediate Action**

1. Equip all high risk machines in the mechanical workshop with proper machine guards.
2. Ensure that finger and eye protectors on stitching machines are used by operators. Provide training on the importance of PPE use and monitor compliance.
3. Properly repair compressed air hoses, and create procedures to ensure that they are not repaired with fabric pieces/adhesive tape.
4. Ensure at least one qualified boiler operator is available for each shift.
5. Have a qualified engineer perform annual inspections of air tanks.
6. Provide the legally required training for the crane operator.
7. Conduct the annual boiler inspections on a timely basis.

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is Partially Remediated or Not Remediated, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

### **Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

### **Recommendations for Immediate Action (if applicable)**

1.

## **FINDING NO.13**

### **HEALTH & SAFETY**

#### **FINDING TYPE: Immediate Action Required**

#### **Finding Explanation**

1. Shelves in several sections of the production and warehouse areas are overloaded and bent.
2. The maximum carrying capacity is not posted on the shelves in production and warehouse areas.
3. The chairs used by the operators are not adjustable or ergonomically designed. Also, anti-fatigue mats are not provided to workers who work standing.
4. There is no defined limit for hand carriage operations; some fabric rolls are heavy as 50 kilograms.
5. There is not a system in place for the maintenance and cleaning the restrooms. The restrooms were unsanitary, posing a health risk for workers.
6. The steps in front of the men's restroom in the production pose a fall risk.
7. Safety shoes are not provided to the workers in the forklift and transpallet movement areas.
8. Forklift truck drivers do not wear their safety belts.
9. Diesel forklift trucks are used inside, which reduces indoor air quality.
10. The Emergency Response Plan does not cover earthquakes, terrorist attacks, serious work accidents, and food poisoning.
11. Several signs of crash damage (e.g., missing foot of a storage rack) observed in the production and warehouse areas indicate that forklift truck operators are not following safe driving instructions.
12. Holes in the warehouse floor are a risk for transpallets and forklifts.

#### **Local Law or Code Requirement**

FLA Workplace Code (Health, Safety & Environment HSE.17, HSE.19, HSE.20, and HSE.22)

#### **Recommendations for Immediate Action**

1. Post maximum carrying capacity for all shelves throughout the production and warehouse areas and remove excessive load on bent shelves and repair them.
2. Establish a maintenance system to ensure that restrooms are sanitary at all times.
3. Provide workers in the forklift and transpallet movement areas with safety shoes as Personal Protective Equipment.
4. Ensure that forklift truck drivers wear their safety belts at all times. Regularly train and communicate to them on the requirement to use the safety belts.
5. Ensure that all forklift truck operators are trained on safe driving and follow safety precautions.
6. Fill holes in the warehouse floor and ensure that there is no risk for driving forklifts and transpallets.

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)



Root Causes: (If Finding Status is Partially Remediated or Not Remediated, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

## Local Law or Code Requirement

(For findings verified to be “Partially Remediated” or “Not Remediated”, please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

## Recommendations for Immediate Action (if applicable)

1.

### **FINDING NO.14**

#### **HEALTH & SAFETY**

#### **FINDING TYPE:** Immediate Action Required

#### Finding Explanation

1. There has been no safety training for managerial staff and supervisors; as a result, the number of safety officers is not in line with local legal requirements.
2. The factory management does not complete the medical examination process for workers within 30 days of hiring, as legally required.
3. There is no system for the regular sanitation of drinking water dispensers and water tanks. Two of the drinking water dispensers were not clean and sanitary. Plastic cups provided are communally used by workers which increases the risk of communicable diseases.
4. Medicines, painkillers, etc., are stored in the first aid kits.
5. There is no system to keep food samples for 72 hours against the risk of food poisoning.

#### Local Law or Code Requirement

Notification of Ministry of Labor and Social Welfare Re: Occupational Safety and workplace Environmental Management Methodology B.E. 2549 Clause 7; FLA Workplace Code (Health, Safety & Environment HSE.1 and HSE.22)

#### Recommendations for Immediate Action

1. Train a sufficient number of managerial staff and supervisors as safety officers.
2. Complete worker medical examination within 30 days upon recruitment.
3. Ensure that the water tanks and drinking water dispensers are clean at all times, and create a system for regular sanitation of the drinking water dispensers. Provide more plastic cups with clean/dirty cup cabinets clearly separated next to drinking water dispensers.
4. Do not store medicines in the first aid kits.

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

#### **Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Local Law or Code Requirement**

(For findings verified to be “Partially Remediated” or “Not Remediated”, please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

**Recommendations for Immediate Action (if applicable)**

1.

**FINDING NO.15****ENVIRONMENTAL PROTECTION****FINDING TYPE: Immediate Action Required****Finding Explanation**

1. Chemical Oxygen Demand (COD) and Biochemical Oxygen Demand (BOD) levels of the discharged wastewater have exceeded the local legal requirements since May 2015.
2. Hand and tool washing sinks directly discharge to rainwater drains.
3. The factory paints various material near rainwater drains and green areas, which has caused soil and water contamination.
4. The oil contaminated water discharged from air tanks/compressors/dryers is directly discharged, rather than being collected and processed first.

**Local Law or Code Requirement**

The Notification of Ministry of Industry No. 2(B.E. 2539 (1996)) Clause 2, FLA Workplace Code (Health, Safety & Environment

**Recommendations for Immediate Action**

1. Ensure that the COD and BOD levels of discharged wastewater are within local legal limits.
2. Do not directly discharge the contaminated water from the hand/equipment washing sinks to the rainwater drains.
3. Cease the practice of painting material near the rainwater drains and green areas.
4. Collect and process the oil contaminated water from the air tanks/compressors/dryers before discharge.

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

**Local Law or Code Requirement**

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

**Recommendations for Immediate Action (if applicable)**

1.

**ENVIRONMENTAL PROTECTION****FINDING TYPE:** Immediate Action Required**Finding Explanation**

1. The factory does not have the legally required waste disposal permit (Sor Aor 2) for its hazardous waste, i.e., contaminated material, container waste, and fluorescent lights.
2. The factory does not submit the legally required Annual Report (Sor Aor 3) on Details of Waste and Unused Material to the Department of Industry.
3. Some chemicals in production and maintenance sections (e.g., paint/thinner) do not have a proper secondary containment. Also, red cleaning solvent was observed outdoors with its secondary containment filled with rainwater, posing a safety risk.
4. In many areas, including the hazardous waste area, waste is not segregated, dumped next to the factory building without any organized disposal arrangements and exposed to the elements.

**Local Law or Code Requirement**

Notification of the Ministry of Industry Re: Waste Disposal B. E. 2548 Ch 2 Sec 9, Notification of the Ministry of Industry Re: Waste Disposal B.E. 2548 Clause 13, Notification of the Department of Welfare and Labour Protection, Re : Description the criteria and delivery procedure of transportation, storage, delivery and waste disposal or packaging of hazardous chemical, section 3; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

**Recommendations for Immediate Action**

1. Obtain the hazardous waste disposal permit (Sor Aor 2) required for the hazardous waste from local authorities.
2. Submit the Annual Report on the Details of Waste and Unused Material (Sor Aor 3) to the Department of Industry.
3. Provide secondary containment for all chemicals. Ensure that all chemicals and their secondary containments are protected from the elements and are properly covered.
4. Segregate waste streams.

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is “Partially Remediated” or “Not Remediated”, please explain the possible reasons for the failure to achieve full remediation.)

**Verification Result:**

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is “Partially Remediated” or “Not Remediated”, please describe the nature of outstanding issues and the method of verification (e.g., “Based on worker interviews and documentation review, it was found that...” If Finding Status is “Remediated”, please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Verification Result:

1. Finding Status (Remediated; Partially Remediated; Not Remediated)

Explanation: (If Finding Status is "Partially Remediated" or "Not Remediated", please describe the nature of outstanding issues and the method of verification (e.g., "Based on worker interviews and documentation review, it was found that..." If Finding Status is "Remediated", please briefly describe the current practice and the method of verification.)

Root Causes: (If Finding Status is "Partially Remediated" or "Not Remediated", please explain the possible reasons for the failure to achieve full remediation.)

#### Local Law or Code Requirement

(For findings verified to be "Partially Remediated" or "Not Remediated", please insert the applicable Local Law reference and FLA Workplace Benchmark (e.g. Employment Relationship Benchmark ER.31.1))

#### Recommendations for Immediate Action (if applicable)

1.

### (NEW) FINDING NO. [1]

#### Health & Safety

FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. There is no fire risk assessment conducted by external party. [HSE.1]
2. The factory does not notify the use of LPG (Sor Aor 1) to the Labor Department. [HSE.1, HSE.4, HSE.9]
3. There was no automatic fire sprinkler system in the warehouse with about 1300 square meters width. And In the area where there is storage of a highly combustible load materials type A. (carton box, clothes materials, plastic bag), the fire extinguisher types B & C is used instead of ABC. [HSE.5, HSE.6]
4. No emergency light was installed along with the evacuation route behind the production building (near the wall of Pak Nam Textile). [HSE.5, HSE.6]
5. Faucets of eyewash station at chemical use area were not covered to prevent them getting dirty. In addition, No eye wash station at the point of chemical use, for example in the maintenance workshop. [HSE.7]
6. There is no identification for all confined spaces such as water tanks, waste water storage, etc. in the factory. [HSE.1]

#### Local Law or Code Requirement

Ministerial Regulation on setting standards for management and implementation of occupational health and safety in the work environment with dangerous chemicals BE 2556 Article 2, The Notification of Ministry of Industry Re: Fire prevention and protection in the factory B.E. 2552 Section, 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 10, Ministerial Regulation on setting standards for management and implementation of occupational health and safety in the work environment with dangerous chemicals BE 2556 Article 11, Ministerial Regulation on the prescribing of standard for administration and management of occupational safety, health and work environment in confined spaced B.E. 2547, Clause 3; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.5, HSE.6, HSE.7 and HSE.9

#### Recommendations for Immediate Action

1. Conduct the fire risk assessment by external party.
2. Notify the use of LPG (Sor Aor 1) to the Labor Department.
3. Install automatic fire sprinkler system in the warehouse with about 1300 square meters width. Replace the class BC fire extinguishers with ABC extinguishers.
4. Install emergency light along with the evacuation route behind the production building.
5. Provide and ensure faucets of eye wash station are properly covered and install the eyewash station at where the chemical use and store.



b. Make a signboard with the text "Confined space, Danger, Do not Enter" in local language. The signboard shall be in conspicuous size and installed openly at the entrance and exit of every confined space

#### **(NEW) FINDING NO. [2]**

Policies & Procedures (Macro)

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. The factory has not established a written policy on Workplace Conduct & Discipline. [ER.1, ER.27]
2. The factory does not have any written policy or procedures for Retrenchment and Termination. The factory has procedures for managing Termination (available in the factory's rules and regulations), however there is no written policy on retrenchment. [ER.1, ER.32]
3. The factory does not have a written policy on industrial relations that includes freedom of association. [ER.1]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER. 27 and ER.32)

**Recommendations for Immediate Action**

#### **(NEW) FINDING NO. [3]**

Recruitment, Hiring & Personnel Development

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. New workers are required by the HR department to submit the medical certificate to assess general fitness as a condition for recruitment before working with the factory; workers pay for their medical checkup fee (THB 150 to 300) (USD 5 to 10) during the recruitment process. [ER.1]
2. Even though advertisement for job vacancies do not include discriminatory information, the job application form includes the following questions: race, religion, age, Military service for male and marry status, and place of birth. This might pose a high risk of discriminatory bias. [ND.1, ND.2]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.1, Nondiscrimination Benchmarks ND.1, and ND.2)

**Recommendations for Immediate Action**

Reimburse the medical checkup fee to eligible workers and stop the practice up on hiring process.

#### **(NEW) FINDING NO. [4]**

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**

**(NEW) FINDING NO. [5]**

Compensation

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. The factory does not provide production incentive for workers in Color Kitchen, QC block Screen-printing and Dryer machine. These workers in the same department as the printing workers, who do receive these incentives. [ER.1, C.5]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmark ER.1; Compensation Benchmark C.5)

**Recommendations for Immediate Action**

1. Establish clear criteria and guidelines for the bonus, communicate the criteria before implementing to avoid issues of discrimination.