



FAIR LABOR  
ASSOCIATION<sup>®</sup>

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Bauer Hockey, LLC  
COUNTRY: Thailand  
ASSESSMENT DATE: 12/13/16  
ASSESSOR: FLA China  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 425

## 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.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

- 1.The factory does not have any written policies or procedures on Recruitment, Hiring & Personnel Development; it only has simple guidelines for the recruitment of workers.
- 2.There are no written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from workers in writing, and that follow all local legal requirements. Additionally, there are no written policies and procedures for promotion, demotion, and job reassignment that are transparent and fair in their implementation. Promotions are based on the management decisions without specific criteria or procedures. Workers' wages are set and increased according to the legal minimum wage – the factory pays workers THB 1 (USD 0.03) more than the current legal minimum wage – and are increased regardless of worker performance. Factory staff undergo annual performance evaluations in order to determine salary increases and promotions; however, this is done without specific criteria.
- 3.The factory does not have any written policy or procedures for Retrenchment. The factory does have procedures for managing Termination (available in the factory's rules and regulations), however there is no written policy on Termination.
- 4.The factory does not have any written policies or procedures on Industrial Relations, including Freedom of Association. The factory does not have any policy or procedures on Environmental Protection.
- 5.Although the factory has a policy on Health & Safety, it has no written procedures for Health & Safety, although some documents or systems exist to manage Health & Safety issues.
- 6.The factory has not established a written policy on Workplace Conduct & Discipline or the Grievance System. Procedures on Workplace Conduct & Discipline and the Grievance System are available in the company regulation/employee hand book.

##### Local Law or Code Requirement

Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety Health and Environment B.E.2549, Clause 3; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.29, ER.30, ER.31, and ER.32; Health, Safety & Environment HSE.1)

### FINDING NO.2

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

- 1.The factory's orientation training to new workers does not include Industrial Relations or Human Resources policies. Furthermore, workers are not provided with training materials or documentation that substantiates all issues covered in orientation, including the FLA Workplace Code and Benchmarks.
- 2.The factory does not provide specific or ongoing training to supervisors or workers on the following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, and Health & Safety.
- 3.The factory does not provide specific training to the relevant supervisors on Compensation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.25, and ER.27)

### FINDING NO.3

#### SUSTAINABLE IMPROVEMENT REQUIRED

##### FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

- 1.As the factory is missing policies and procedures on Recruitment, Hiring & Personnel Development and Termination & Retrenchment, it does not communicate these policies and procedures and their updates to the general workforce.
- 2.The factory does not communicate the Grievance system policy and procedures or its updates to the general workforce. The workers are only informed about the Grievance System during new worker orientation.
- 3.The factory does not communicate Environmental Protection policy and procedures or their updates to the general workforce, including new workers.
- 4.The factory did not involve any worker representatives in the development of the policy and procedures of any of the Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.28, ER.29, ER.30, and ER.32)

### FINDING NO.4

#### SUSTAINABLE IMPROVEMENT REQUIRED

##### FINDING TYPE: Review Process (Macro)

Finding Explanation

- 1.The factory does not periodically review the policy and procedures regarding Hours of Work (including production scheduling), Workplace Conduct & Discipline, Grievance System, or Environmental Protection.
- 2.As the factory is missing policies and procedures on Recruitment, Hiring, & Personnel Development, Industrial Relations, Termination & Retrenchment and procedures on Retrenchment, there is no periodic review of these policies and procedures for the documents on these Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)

### FINDING NO.5

#### SUSTAINABLE IMPROVEMENT REQUIRED

##### FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory has not clearly defined, in writing, the person(s) responsible for any of the Employment Functions except Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

- 1.The factory does not prepare job descriptions for all positions; it only prepares job descriptions for supervisory positions.
- 2.The factory does conduct performance reviews for workers.
- 3.In a job advertisement, the factory requests that staff ("officers") in the shipping department are females between the ages of 22 and 28.
- 4.The factory does not provide a copy of the employment contract to the worker after it has been signed by management and the worker.
- 5.Since the factory does not have any policies or procedures for performance reviews or promotions, the factory promotes workers based on management's decision, without clear criteria or guidelines; therefore, the process for promotions, demotions, and reassignment is not transparent or fair to workers.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.3.1, ER.5, ER.29, and ER.30; Nondiscrimination Benchmarks ND.1 and ND.2.1)

##### Recommendations for Immediate Action

- 1.Revise the job advertisement for shipping staff and ensure that job requirements and advertisements do not include discriminatory elements such as age and gender.
- 2.Provide a copy of the employment contracts to all workers in their native language.

## FINDING NO.7

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

- 1.The factory does not compensate workers their unused annual leave when they resign.
- 2.The factory policy states that workers have to submit a medical certificate when they take three or more consecutive sick days. Nevertheless, the majority of workers and supervisors understand that workers will not be compensated for their sick leave if they do not provide a medical certificate for taking as few as one or two days of sick leave. Records of sick leaves reflected that workers submit a medical certificate any time they were sick.
- 3.The factory provides an extra bonus to workers biweekly, between THB 10 and THB 20 (USD 0.29 and USD 0.58); however, the factory has not established clear criteria or guidelines on how the bonus is awarded. Currently, the bonus is decided by supervisors.

##### Local Law or Code Requirement

Labor Protection Act B.E. 2541, Sections 30 and 57; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19 and ER.22; Nondiscrimination Benchmark ND.3; Hours of Work Benchmark HOW.16; Compensation Benchmark C.17)

##### Recommendations for Immediate Action

- 1.Compensate all workers who have resigned their unused and unpaid annual leave.
- 2.Communicate and implement the sick leave policy and procedure and assure workers they are entitled to sick leave compensation.
- 3.Establish clear criteria and guidelines for the bonus. Communicate to workers and supervisors the criteria before implementing to avoid issues of discrimination.

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

Disciplinary Actions are not witnessed by a third party during their imposition.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.4)

### FINDING NO.9

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

##### Finding Explanation

- 1.As the factory has not yet fully implemented the Environmental Protection policies and procedures, it does not maintain all records and documentation related to environmental protection practices, training materials, management, assessment and audit reports.
- 2.The factory has not yet identified whether its on-site operations generate any negative environmental impact, additionally, it does not make efforts to reduce its environmental impact.
- 3.Two domestic waste containers are cracked and damaged. These domestic waste containers contained two fluorescent lamps, which are hazardous waste.
- 4.The factory does not label either the hazardous waste containers or the recycling containers in the production lines, particularly in the screen printing department where chemicals are in use.
- 5.The factory does not have the following legally required documents: the permit for waste storage (Sorkor 1); the permit for waste disposal (Sorkor 2); and waste material report (Sorkor 3).
- 6.The factory does not have an appropriate chemical spills kit; only a sandbox has been provided in the chemical storage area.

##### Local Law or Code Requirement

The Notification of the Ministry of Industry Re: Waste Disposal B.E. 2548, Clauses 1 and 6; The Notification of the Ministry of Industry Re: Waste Disposal B.E. 2548 Ch. 2, Sec 9; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety, & Environment Benchmarks HSE.1, HSE.2, HSE.4, and HSE.9)

##### Recommendations for Immediate Action

- 1.Replace damaged domestic waste containers.
- 2.Separate hazardous waste from nonhazardous waste.
- 3.Label all hazardous waste and its containers.
- 4.Obtain all legally required environmental permits.

### FINDING NO.10

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

- 1.The factory has not included the following in its Health & Safety procedures: a list of employees responsible for managing fire equipment; a list of employees responsible for responding to emergencies; and, steps for reporting death, injury, illness, and other Health & Safety issues.
- 2.The mezzanine of the material warehouse in Building 1 is made of wood instead of a fireproof material.
- 3.The factory has not installed an automatic sprinkler system in the material warehouse (an area of 1,725 square meters) although it is legal required that any area greater than 1,000 square meters that stores flammable materials must have an automatic fire extinguishing system such as an automatic Sprinkler System or other system to cover that area.
- 4.The factory does not commission a third-party expert to conduct a fire risk assessment; the factory has only conducted an internal fire risk assessment, done by an internal safety officer.
- 5.In Building 1 and the warehouse, the factory uses class BC fire extinguishers – which are suitable for flammable liquids, gas or electricity – instead of class ABC, which is appropriate for the factory's industry and the majority of its product and materials.
- 6.At least one fire extinguisher in materials storage on the mezzanine of Building 1 is blocked by production materials, and therefore inaccessible.
- 7.The factory does not provide the any appropriate equipment to fight fires, including firefighting PPE and breathing apparatus.
- 8.In Production Building 2, there is no emergency alarm system to notify workers of emergencies.
- 9.The factory has not provided a backup battery for the emergency alarm system.
- 10.The factory stores flammable materials, such as a roll of material and plastic bags, under two staircases used for emergency routes from the screen printing department and the material storage on the mezzanine of Building 1.

#### Local Law or Code Requirement

The Ministerial Regulation (MOL): Fire Protection and Fire Fighting in Factory B.E. 2552 Section 6, The Notification of Ministry of Industry Re: Fire prevention and protection in the factory BE 2552 Sections 4, 5 and 12; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.5, HSE. 6, and HSE.25)

#### Recommendations for Immediate Action

- 1.Replace the mezzanine floor with a fireproof material.
- 2.Install an automatic firefighting system in the building and in the raw material storage area.
- 3.Commission a third-party expert to conduct a fire risk assessment.
- 4.Change current fire extinguishers to Class ABC fire extinguishers.
- 5.Ensure that all fire extinguishers are not blocked and are easily accessible. Regularly monitor for compliance.
- 6.Provide all appropriate equipment to fight fires, including firefighting PPE and breathing apparatus.
- 7.Install an emergency alarm system in all areas of the factory. Provide a backup battery to the emergency alarm system.
- 8.Remove all flammable materials from under the staircases used for evacuation.

### FINDING NO.11

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

- 1.The factory has not conducted training on the proper use of chemicals or the use of appropriate PPE for these chemicals since October 16, 2015. As a result, most workers in the screening department did not understand the hazards associated with the chemicals they handle.
- 2.One glue container which contains a flammable substance and two chemical containers that are stored in the materials warehouse on the mezzanine of Building 1 are not labeled.

#### Local Law or Code Requirement

The Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011) Section 14, 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 3; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.8 and HSE.9)

#### Recommendations for Immediate Action

- 1.Train workers on the proper use and storage of chemicals as well as the appropriate PPE to use when handling chemicals.
- 2.Properly label all chemicals, in the local language.

### FINDING NO.12

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

- 1.Fifty percent (50%) of sewing machines are missing the lower and upper belt guard. None of the sewing machines have needle guards.
- 2.All four cloth end cutting machines in the cutting workshop are missing safety guards.
- 3.The factory has not implemented a comprehensive ergonomics program nor are there any written policies and procedures on ergonomics, including instructions to minimize stress and repetitive motion injuries and a list of improvements for reducing the risk of injury (e.g. back support belts, ergonomic tables, anti-fatigue mat and adjustable chairs with back support). As a result, the factory has not provided adjustable workstations, anti-fatigue mats to standing workers, or adjustable chairs with backs to sitting workers.
- 4.The factory has not provided lifting belts or training to the relevant workers on proper lifting techniques when handling heavy materials.

#### Local Law or Code Requirement

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.14, and HSE. 17)

#### Recommendations for Immediate Action

- 1.Install hand protection devices on cloth end cutting machines as well as lower belt guards and upper belt guards on sewing machines.
- 2.Provide the relevant workers with lifting belts and train workers on their use.

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

- 1.The factory installed the die cutting machine incorrectly, hanging the electrical cords on the machine rather than permanently connecting the wires on the machine.
- 2.Although there is a grounding system in place throughout the buildings, in some sections there is no grounding protection as the factory uses two-pronged plugs and extension cords.
- 3.The factory has not installed a grounding system on the metal frame of the water cooler in order to prevent issues with static electricity.
- 4.The factory does not have a list of equipment and/or machines that require lockout-tagout, as the factory has not established or implemented a lockout-tagout procedure.
- 5.The factory does not have any fall protection equipment, nor does it have any procedures for working at heights.
- 6.The factory does not regularly conduct inspections to ensure the asbestos-containing roof material is intact. There is no procedure for steps to be taken in the event damages are observed.
- 7.The factory has not posted warning signs in areas with asbestos.

##### Local Law or Code Requirement

The Ministerial Regulation on the Prescribing of Standard for Administration, Management and Performance of Occupational Safety, Health and Work Environment in Relation to Electricity B.E. 2558 (A.D. 2015); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE. 2, HSE.13, and HSE. 14)

##### Recommendations for Immediate Action

- 1.Ensure all plugs and extension cables in the production area, canteen, and warehouse are three-pronged and suitable to connect equipment and machinery to the existing grounding system.
- 2.Install a grounding system on all drinking water machines with metallic frames to prevent static electricity and electric shock.
- 3.Establish and implement a lockout-tagout procedure and train all relevant workers on the procedure for maintenance or cleaning of the equipment and machinery. Make a list of all equipment and machines that require the lockout-tagout procedure.
- 4.Provide fall protection equipment and establish procedures for working at heights.
- 5.Conduct regular inspections of the asbestos-containing roofing material, including visual inspection and fiber measurement, and document findings. Post warning signs in all areas with asbestos.