



COMPANIES: Peter Millar LLC
COUNTRY: Thailand
ASSESSMENT DATE: 10/19/18
ASSESSOR: Social Compliance Services Asia
PRODUCTS: Apparel
NUMBER OF WORKERS: 1534

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: Training (Macro)

Finding Explanation

1. The orientation training provided to workers did not cover Recruitment, Hiring & Personnel Development or Environmental Protection. [ER.1, ER.15]
2. Workers do not receive any written documentation that substantiates the issues covered during orientation, including a copy of the workplace rules.[ER.15]
3. The factory does not provide workers with ongoing training on any of the Employment Functions. [ER.1, ER.15, ER.25, ER.28]
4. The factory does not provide training to the relevant supervisors and managers on the following Employment Functions: Compensation; Hours of Work; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection. [ER.1, ER.17, ER.27]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.25, ER.27, and ER.28]

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory will arrange staff training with new comer orientation.

Planned completion date

11/21/18

Company Action Plan Update

The annual training plan with responsible staff has been made

Action Plan no 2.

Description

Written documentation needs to be made of the issues covered during orientation.

Planned completion date

11/21/18

Company Action Plan Update

The regulations booklet showing documentation is attached.

Action Plan no 3.

Description

The factory is to prepare an annual training plan for the Employment Functions.

Planned completion date

11/21/18

Company Action Plan Update

The training plan documentation has been added by the factory

Action Plan no 4.

Description

The factory is to arrange training to relevant staff on various issues: Compensation, Hours of Work, Termination, Industrial Relations, Workplace Conduct etc.

Planned completion date

11/21/18

Company Action Plan Update

The factory provides training on the employment functions now. An example is attached.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The Labor Department requires migrant workers from Myanmar to undergo a health examination upon hiring and when applying for a work permit extension. The examination includes testing for pregnancy, leprosy, tuberculosis, syphilis, drug use, and alcoholism. Pregnancy test results are reflected in workers' health examination reports. [ND.2, ER.3]
2. The job application forms include questions regarding applicants' marital status, race, and number of children, posing a risk for discrimination during the recruitment process. [ND.2, ER.3]
3. The factory does not have written policies or procedures on Personnel Development. There is a policy on performance reviews, but it does not prohibit discrimination or require the factory to provide workers with written feedback. [ER.1, ER.28, ER.29, ER.30]
4. Workers do not receive performance reviews. [ER.29]

Local Law or Code Requirement

FLA Workplace Code (Non-Discrimination Benchmark ND.2; Employment Relationship Benchmarks ER.1, ER.3, ER.28, ER.29, and ER.30)

Recommendations for Immediate Action

1. Cease the practice of mentioning the pregnancy test results in workers' health examination reports. Ensure that the pregnancy test results cannot be used to discriminate against applicants or workers applying for work permit extensions.
2. Remove questions regarding marital status, race, and number of children from job application forms.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory needs to require migrant workers from Myanmar to undergo health examinations upon hiring and when applying for a work permit extension

Planned completion date

11/21/18

Company Action Plan Update

The factory states that it provides health checks within 30 days of start date

Action Plan no 2.

Description

The factory needs to eliminate questions on job application forms that risk discrimination during the recruitment process.

Planned completion date

11/21/18

Company Action Plan Update

The factory states that they will eliminate these questions.

Action Plan no 3.

Description

The factory needs to add a policy to prohibit discrimination and require factory to provide workers with written feedback.

Planned completion date

11/21/18

Company Action Plan Update

The factory states that this policy has been changed.

Action Plan no 4.

Description

The factory needs to furnish employees with performance reviews.

Planned completion date

11/21/18

Company Action Plan Update

The factory states that the employees are now evaluated after skills training

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The attendance and payroll records provided to assessors on the first day of the assessment were not complete and accurate. For example, according to the production records that assessors reviewed, there were workers working on Sundays (e.g. August 19, 2018) but the attendance and payroll documents do not reflect this. Factory management later provided another set of attendance and payroll records for September and October 2018, but stated that the rest of the records from October 2017-August 2018 were not available because the factory does not keep them once workers' wages are paid. As a result, assessors could not verify workers' actual working hours and compensation from October 2017-August 2018. [ER.2, ER.23, C.15, C.16]

2. The pay slips provided to migrant workers are in Thai, not the language spoken by the workers (Burmese). (C.17)

3. The factory employs five security guards through a security service provider. The security guards are paid by the service provider, not the factory. In addition, the factory does not maintain security guards' payment records, attendance records, personnel files, or employment contracts on-site. [ER.2, ER.6, ER.23, C.15]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.6 and ER.23; Compliance Benchmarks C.15 and C.16)

Recommendations for Immediate Action

1. Maintain all attendance and payroll documents for at least one year and make them available to assessors upon request. Cease the practice of keeping multiple sets of attendance and payroll records.

2. Sign a contract with the security service provider that imparts power to the factory to directly pay the security guards' wages. Maintain

copies of security guards' payroll and attendance records, personnel files, and employment contracts on-site at the factory.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The supplier states that the Production cap is now reviewed every six months to avoid heavy overtime hours.

Planned completion date

11/21/18

Company Action Plan Update

The production schedule is reviewed 6 months in advance to avoid large amounts of overtime.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Workers are required to be searched before entering and leaving the workshop each day. In addition, these security practices are not gender sensitive. For example, the female security guard sometimes pats down male workers. [H/A.10]
2. Records of disciplinary actions are not maintained in workers' personnel files. [ER.27]
3. Disciplinary actions are not witnessed by a third party. [ER.27]
4. The Workplace Conduct & Discipline procedures do not include steps for workers to appeal the disciplinary actions taken against them. [ER.1, ER.27]

Local Law or Code Requirement

FLA Workplace Code (Harassment or Abuse Benchmark H/A.10, Employment Relationship Benchmarks ER.1 and ER.27)

Recommendations for Immediate Action

1. Only perform body searches and physical pat downs when there is a legitimate reason to do so and upon consent of the worker, unless a state official with the power to do so (e.g. a police officer) has ordered the search. All searches should be conducted by someone of the same gender as the person being searched.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory needs to changes their security practices to be gender sensitive.

Planned completion date

11/21/18

Company Action Plan Update

The factory is establishing policies and procedures for security screening.

Action Plan no 2.

Description

The factory needs to keep records of disciplinary actions in personnel files.

Planned completion date

11/21/18

Company Action Plan Update

The factory will be keeping a record of disciplinary files going forward

Action Plan no 3.

Description

The factory needs to have disciplinary actions witnessed by a third party.

Planned completion date

11/21/18

Company Action Plan Update

The factory has issued a warning letter that can be witnessed by a third party

Action Plan no 4.

Description

The factory needs to include steps for workers to appeal the disciplinary actions taken against them in the Workplace Conduct & Discipline procedures

Planned completion date

11/21/18

Company Action Plan Update

The steps have been added

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no spill response equipment ready for use in the chemical storage room. [HSE.1, HSE.6]
2. There is no secondary containment for four chemical containers containing machine oil and cleaner located in the maintenance room and the chemical storage room. [HSE.1, HSE.9]

Local Law or Code Requirement

Manual for Chemical and Hazardous Substances Storage, Article 4.8; Occupational Safety, Health and Environment Act B.E. 2554 (2011), Section 6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.6, and HSE.9)

Recommendations for Immediate Action

1. Stock the chemical storage room with all necessary spill response equipment.
2. Provide secondary containment for all chemical containers to prevent leaks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory is add spill response equipment

Planned completion date

11/21/18

Company Action Plan Update

The spill response equipment has been added

Action Plan no 2.

Description

The factory needs to provide a secondary containment container in four locations.

Planned completion date

11/21/18

Company Action Plan Update

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not regularly perform grounding measurements for production buildings. [HSE.1, HSE.13]
2. Around 10% of the electrical panels in the sewing department do not have warnings sign on them. [HSE.1, HSE.13]
3. At least two electrical panels in the sewing department do not have covers. [HSE.1, HSE.13]

Local Law or Code Requirement

Ministerial Regulation on the Standard for Administration and Management of Occupational Safety, Health and Environment in relation to Fire Prevention and Control B.E. 2555 (2012), Articles 25 and 26; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.13)

Recommendations for Immediate Action

1. Perform grounding measurements on a periodic basis.
2. Post warning signs on or next to all electrical devices and circuits in the factory.
3. Ensure that all electrical equipment, including electrical panels, are properly covered and insulated.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory building needs to be certified yearly by the authorized engineer

Planned completion date

11/21/18

Company Action Plan Update

Yearly certification document obtained by the factory

Action Plan no 2.

Description

The factory needs to label all electrical panels in the sewing department.

Planned completion date

11/21/18

Company Action Plan Update

The factory states that all electrical panels have clear labels attached

Action Plan no 3.

Description

The factory needs to cover two electrical panels in the sewing department

Planned completion date

11/21/18

Company Action Plan Update

The factory has the panels covered.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no 'no smoking' sign posted in the gas cylinder storage area. [HSE.1, HSE.9]
2. One of the gas cylinders was not stored properly. It was stored next to the office building where it was exposed to the sun, which could cause an explosion. [HSE.9]
3. More than 60% of the aisles in the sewing department were partially blocked by production materials which could prevent workers from evacuating quickly in the case of an emergency. [HSE.5]
4. According to management and migrant workers, the factory recommends that Burmese migrant workers stay at an apartment building that is about a five minute walk from the factory. Most of the migrant workers live there. Assessors toured the building and found that there is only one emergency exit, there are no emergency lights or fire extinguishers, and there are no fire drills. [HSE.5]

Local Law or Code Requirement

Manual for Chemical and Hazardous Substances Storage, Article 4.1.1.2; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, and HSE.9)

Recommendations for Immediate Action

1. Post a 'no smoking' sign in the gas cylinder storage area.
2. Securely store all gas cylinders in an area that is not exposed to the sun.
3. Do not store production materials in aisles. Clear all obstructions and monitor the area to ensure that it remains clear.
4. When recommending housing to migrant workers, monitor the migrant workers' living area to ensure that it complies with local law and FLA requirements.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory is to add a no smoking sign to the gas cylinder storage area

Planned completion date

11/21/18

Company Action Plan Update

The sign has been posted in the designated area.

Action Plan no 2.

Description

The factory needs to store the gas cylinders in the correct place

Planned completion date

11/21/18

Action Plan no 3.

Description

The factory needs to clear production material from the aisles

Planned completion date

11/21/18

Action Plan no 4.

Description

The factory needs to inform the building owner where the migrant workers are staying that there are safety issues that need to be

addressed.

Planned completion date

11/21/18

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no fence or barrier on the roof of the production building to prevent falls. [HSE.1]
2. The factory does not track illnesses. [HSE.1, HSE.3]
3. The factory is not making an effort to reduce the risk of repetitive-motion stress and injuries. Workstations and chairs are not adjustable and the standing arrangements are not ergonomic. [HSE.1, HSE.17]
4. There is no warning sign in the laser cutting department. In addition, the laser cutting machine is not labeled with information on the wave length, power, and color of the laser. [HSE.1, HSE.14]
5. The canteen service provider does not have a food catering license and the canteen workers have not undergone health examinations. [HSE.1, HSE.4, HSE.19, HSE.22]
6. The factory does not provide gloves to the canteen staff. [HSE.1, HSE.22]
7. The canteen does not keep food samples. [HSE.1]
8. There is no speed limit on factory premises. [HSE.1]

Local Law or Code Requirement

Occupational Safety, Health and Environment Act B.E. 2554 (2011), Sections 6 and 17; Food Act B.E.2522, Chapter 2 Section 14; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.4, HSE.14, HSE.17, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Install a barrier on the production building roof.
2. Track all illnesses. Maintain records for at least one year.
3. Post a warning sign in the laser cutting department and post information about the wavelength, power, and color of the laser on the machine.
4. Ensure that the canteen service provider obtains a food catering license and that all canteen workers undergo health examinations.
6. Train canteen workers on the importance of wearing gloves while handling food. Monitor to ensure compliance.
7. Keep food samples for 24-48 hours in order to identify the cause of food borne illnesses.
8. Establish a speed limit and post speed limit signs throughout the factory premises.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Fence or barrier added to the roof of the production building to be completed.

Planned completion date

11/21/18

Company Action Plan Update

The fence or barrier is currently in process

Action Plan no 2.

Description

Tracking illnesses in the factory.

Planned completion date

11/21/18

Company Action Plan Update

The factory states that there is a filing of pain records kept in the nursing room.

Action Plan no 3.

Description

The factory needs to make an effort to reduce risk of repetitive-motion stress and injuries.

Planned completion date

11/21/18

Company Action Plan Update

The factory is working to improve and is waiting on approval. Target date is 5/31/2019.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The factory does not communicate its policies and procedures or their updates with the general workforce across all Employment Functions. [ER.1, ER.16, ER.25, ER.27, ER.29, ER.30, C.17]

2. Workers who were hired before August 2017 were not provided a copy of the factory handbook and factory rules. [ER.16, ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.27, ER.29, and ER.30; Compensation Benchmark C.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Training needs to be scheduled to communicate policies and procedures to employees.

Planned completion date

11/21/18

Company Action Plan Update

There is training now scheduled for 6/30/2019 to communicate policies and procedures for Employment Functions

Action Plan no 2.

Description

Distribution of the factory handbook and factory rules to be done.

Planned completion date

11/21/18

Company Action Plan Update

Plans made to distribute factory rules and handbook on 4/30/2019.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not periodically review and update its policies and procedures on any of the Employment Functions. [ER.1, ER.29, ER.30, ER.31]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory must add a period review and update of its policies and procedures on any Employment Functions.

Planned completion date

11/21/18

Company Action Plan Update

The factory states that as of 3/31/2019 there is a review every six months.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The PPE training provided to workers does not cover how PPE is to be stored and replaced. [HSE.8]

2. The factory's Health & Safety procedures do not include the following components:

- a. Protection against retaliation for workers who raise health and safety concerns;
- b. Steps to ensure that all personnel, visitors, contractors, and service providers safely evacuated;
- c. Guidance on electrical certifications, inspections, assessments and reviews;
- d. Guidance documents for external contractors and service providers concerning health and safety;
- e. Lockout-tagout procedures, including a list of all equipment and machines that require lockout-tagout;
- f. Fire risk assessment procedures;
- g. Information concerning first aid and medical emergency response, including steps for reporting death, injury, illness, and other health and safety issues. [ER.1, ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmark HSE.8)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory is to include PPE training in the employee orientation training materials.

Action Plan no 2.

Description

Health and safety procedures need to include protection against retaliation for workers who raise concerns.

Company Action Plan Update

The appropriate protection has been added

Action Plan no 3.

Description

Health and safety procedures need to include steps to ensure that all persons at the facility are safely evacuated

Action Plan no 4.

Description

Health and safety procedures need to include guidance on electrical certifications, assessments and reviews

Company Action Plan Update

The above health and safety procedures have been verified

Action Plan no 5.

Description

Health and safety procedures need to include guidance documents for external contractors and service providers concerning health and safety.

Company Action Plan Update

The above procedures have been added.

Action Plan no 6.

Description

Health and safety procedures need to include lockout-tagout procedures.

Action Plan no 7.

Description

Health and safety procedures need to include fire risk assessment procedures.

Company Action Plan Update

The fire risk assessment procedures have been added.

Action Plan no 8.

Description

Health and safety procedures need to include information concerning first aid and medical emergency response, including steps for reporting death, injury, illness, and other issues.

Company Action Plan Update

The health and safety procedures have been updated with the above topics

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The Environmental Protection policy does not include a statement of the factory management's general support for energy and water efficiency. [ER.1, ER.31]

2. The Environmental Protection procedures do not include:

- a. Steps that enable workers to raise environmental concerns;
- b. Steps for reporting environmental emergencies;

c. Protections against retaliation for workers who allege environmental violations. [ER.1, ER.31, HSE.5]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmark HSE.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Updated to the Environmental Policy need to be made by the factory.

Company Action Plan Update

The factory has updated the environmental policy as shown by the attached below.

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory does not have written policies or procedures on Retrenchment. [ER.1, ER.19, ER.32]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory must produce written policies and procedures on Retrenchment.

Company Action Plan Update

The factory has added the policies to the work regulations manual.

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory's production plan includes overtime. The plan is based on 60 hours per week instead of 48 hours per week. [HOW.1, HOW.8]

2. During the months of September and October 2018, around 70% of workers' weekly working hours exceeded 60 hours (regular plus overtime hours). [HOW.1 and HOW.8]

3. During the months of September and October 2018, around 90% of workers did not receive at least 24 consecutive hours of rest in every seven-day period. For example, workers worked 12 days consecutively without rest from October 1-12, 2018. [HOW.1, HOW.2]

Local Law or Code Requirement

The Labour Protection Act, B.E. 2541 (1998), Sections 23 and 28; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2, and HOW.8)

Recommendations for Immediate Action

1. Do not require or allow workers to work more than 60 hours per week (including regular and overtime hours).

2. Provide workers with at least 24 consecutive hours of rest in every seven-day period.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Create plan for production capacity to avoid excessive overtime schedules.

Company Action Plan Update

The factory states that the production cap is now reviewed 6 months in advance to avoid excessive OT