



Verification Assessment

COMPANIES: Acushnet Company
COUNTRY: Thailand
ASSESSMENT DATE: 09/19/18
ASSESSOR: Global Standards
PRODUCTS: Other
NUMBER OF WORKERS: 1460

FLA Comments

Acushnet Company ceased affiliation with FLA in 2018. Therefore, the company will not be reporting to FLA on the remedial efforts regarding issues identified in this report.

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.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has a workforce of 1,453 workers, including 83 migrant workers from Laos who were recruited by a recruitment agency in Laos. The recruitment agency in Laos charges all 84 migrant workers recruitment related expenses for the passport, VISA, Work Permit (for 2 years) and health examination. The cost varies between 14,000 to 20,000 THB (USD 392 – 560) and is not refundable. The migrant workers have to pay the recruitment agency in cash in their country of origin Laos. In addition, 8 migrant workers paid an additional non-refundable fee of 9,500 THB (USD 266) to a middleman who is linked to the recruitment agency in Laos in order to receive a renewal of their work permit for another two years.
2. A number of migrant workers (10% of the 83 migrant workers) have paid a deposit of 9,500 THB (USD 266) to a middleman after renewal of their employment contracts.

Local Law or Code Requirement

FLA Workplace Code (Nondiscrimination Benchmarks ND.3.1.3, Employment Relationship Benchmarks ER.5 and ER.6.2)

Recommendations for Immediate Action

1. Ensure that the recruitment agency in Laos does not charge any recruitment fees (14,000 to 20,000 Baht). Cover all recruitment costs that might occur, including travel expenses, visa, work permit, and legally required health examination.
2. Handle and issue the renewal of the employment contracts directly. Retroactively compensate the 8 migrant workers who have paid 9,500 THB (USD 266) for the renewal of their work permit. Ensure that migrant workers are not charged any fees for the renewal of their work permit. Cover all work permit fees for all migrant workers.

3. Retroactively pay all migrant workers any recruitment fees that occurred over the last 12 months in collaboration with the recruitment agency and workers. Establish policy and procedures on the hiring of migrant workers based on best practices and FLA benchmarks.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation: The factory has not charged migrant workers for recruitment fees, travel expenses, visas, work permits, or legally required health examinations since 2016. However, the factory did not pay back the migrant workers who were hired before 2016. At the time of the assessment, there were still 54 migrant workers from Laos who were hired by the factory in 2013-2015 who have not been reimbursed for their expenses. [ER.5, ER 6, ND.3]

Root Causes:

1. The factory did not realize that they were responsible for reimbursing migrant workers hired before 2016.

2. Finding Status (Remediated)

Explanation: Migrant workers are no longer required to pay a middleman upon the renewal of their employment contracts.

Local Law or Code Requirement

FLA Workplace Code (Non-Discrimination Benchmark ND.3; Employment Relationship Benchmarks ER.5 and ER.6)

Recommendations for Immediate Action

1. Reimburse migrant workers hired before 2016 for recruitment fees, travel expenses, visas, work permits, and legally required health examinations. Maintain the payment records for verification purposes.

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory's probation period is defined as 119 days which is in line with local law requirements but is not in line with the FLA's benchmark requirement of 3 months.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.3)

Recommendations for Immediate Action

1. Ensure that the probation period is limited to 3 months.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: The factory's probation period is still 119 days. [C.3]

Root Causes:

1. The factory does not understand the FLA Workplace Code of Conducts' requirements.

2. Management does not believe that a probation period of three months is sufficient for the factory to evaluate workers' performance.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.3)

Recommendations for Immediate Action

1. Reduce the probation period to three months.

PREVIOUS FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1.The factory does not provide a copy of the employment contract to workers, both Thai and Laotian, after it has been signed by management and workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.5 and ER.7)

Recommendations for Immediate Action

1. Ensure that one copy of the employment contracts provided to all workers in their native language (Thai & Laotian).
2. Ensure that migrant workers receive a copy of the contract in their country of origin, including contract details, such as working conditions.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation: The factory provides workers a copy of their employment contracts, but some migrant workers from Laos stated their contracts were in Thai, not Laotian. [ER.5]

Root Causes:

1. The factory management and compliance personnel are not familiar with the FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.5)

Recommendations for Immediate Action

1. Provide all workers a copy of their employment contract in their native language.

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1.Documentation related to employment, employment contracts, company regulations, employee handbooks, pay slips, working instructions, etc., is not available in the language spoken by migrant workers (Laotian).

Local Law or Code Requirement

FLA Workplace Code (Industrial Relations benchmarks ER.25.1)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation: Most of the factory's safety instructions, contracts, and pay slips are still not available in the language spoken by migrant workers (Laotian). The factory only provided the Laotian version of the company regulations and employee handbooks for review. [ER.25, C.17, HSE.14]

Root Causes:

1. The factory management and compliance personnel are not familiar with the FLA Workplace Code and Benchmarks.

PREVIOUS FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. There are no Laotian migrant worker representatives in the existing welfare and Occupational Safety & Health committees.

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmark FOA.2)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: There is one Laotian migrant worker representative on the Welfare Committee and the Occupational Safety & Health Committee.

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory's grievance procedure is available in the company regulations; however, the factory did not involve any worker representatives in the development of this regulation. Furthermore, worker representatives are not included into the evaluation of the grievances.

2. There are no alternative confidential complaint channels, other than the complaint boxes, provided to the workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship benchmark ER.25)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

1. Explanation: Worker representatives were not involved in the development of the Grievance System policies and procedures. [ER.1,

ER.25]

Root Causes:

1. The factory does not understand the FLA Workplace Code's requirements.
2. The factory does not understand the benefit of including workers in the development of policies and procedures.

2. Finding Status (Partially Remediated)

Explanation: The factory has provided alternative confidential complaint channels such as suggestion boxes and a phone number for workers to call. However, none of the workers interviewed were aware of all available grievance channels or how to use them. [ER.1, ER.15, ER.25]

Root Causes:

1. No Grievance System training is provided to workers.

Local Law or Code Requirement

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

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory has a disciplinary procedure available in the company regulations; however, worker representatives are not involved in to the development of the procedure and evaluation/decision making on disciplinary actions.

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

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.27.4)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Worker representatives are not involved in the development of the Workplace Conduct & Discipline procedures or the decision-making process when disciplinary action must be implemented. [ER.1, ER.25]

Root Causes:

1. The factory does not understand the FLA Code of Conduct's requirements.
2. Management does not understand the benefit of including worker representatives in the development of policies and procedures or the decision-making process.

2. Finding Status (Remediated)

Explanation: Disciplinary actions are witnessed by a worker representative.

Local Law or Code Requirement

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

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There is not a written procedure for the recruitment of migrant workers.

Local Law or Code Requirement

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: There are still no procedures on the recruitment of migrant workers. [ER.1]

Root Causes:

1. The management and compliance teams are not familiar with the FLA Workplace Code and Benchmarks.
2. The compliance team prepares the majority of the policies and procedures. There is a gap in communication between the compliance team and administrative staff on different Employment Functions.
3. The factory does not deploy sufficient manpower and resources to develop and review the current policies and procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

PREVIOUS FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Job application forms include questions requiring information on marital status, military service status, blood type, weight, height, educational level and name of family members, posing a risk for discrimination during the recruitment process.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.3.1, Nondiscrimination Benchmark ND.2.1)

Recommendations for Immediate Action

1. Revise the application forms to remove any questions that require possible discriminatory information, such as on marital status, military status or blood type. Ensure that such information is only collected after the recruitment process is concluded.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: Questions regarding applicants' marital status, military status, and blood type have been removed from the job application forms.

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Approximately 15% of the workers in the sewing department worked during the lunch break at the time of the assessment. Workers

stated that they voluntarily worked during the lunch break because of the production incentive bonus.

2. The attendance record reflected that workers swipe their cards in and out at the same time during their break for 30 minutes before starting overtime for 3.5 hours. Worker interviews revealed that workers do not want to swipe their cards again during their 30 minutes break since this is considered an inconvenience. For example, one worker would take a break after 5:00 PM, swipe out at 5:05 PM and swipe back at 5:05; therefore, the time sheet does not actually indicate the break taken before working overtime. Working hours were verified through different information sources.

Local Law or Code Requirement

The Labor Protection Act, B.E. 2541 (1992), Section 27; FLA Workplace Code (Hours of Work Benchmark HOW.3)

Recommendations for Immediate Action

1. Ensure that workers are not working during the lunch breaks even if it's a voluntary practice. Cut the power of the production machines and turn off the lights during break time. Regularly communicate workers on the requirement to use their lunch breaks.

2. Ensure that in and out records for break hours before overtime work reflect the actual in and out time of the

workers.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: According to on-site observations and worker interviews, workers do not work during lunch.

2. Finding Status (Not Remediated)

Explanation: Workers receive a 30-minute break after their regular shift is over and before their overtime begins. The attendance records reflect that workers swipe their cards in and out at the same time during their break (e.g. a worker will swipe out and back in at 5:05) . Worker interviews revealed that workers do not want to swipe their cards twice (out and back in) because they find it inconvenient. As a result, the time sheet does not actually indicate that workers take a break before working overtime. [ER.2, ER.23]

Root Causes:

1. This is mainly due to a lack of awareness on the part of workers and management and because it is more convenient.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.23)

Recommendations for Immediate Action

1. Monitor workers to ensure that they are swiping in and out at the correct times.

PREVIOUS FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1.The recruitment agency responsible for hiring requires migrant workers from Laos to undergo a legally required health examination upon hiring, which includes a pregnancy test. This legally required health examination as part of the processing permit to work in Thailand requires pregnancy tests, tests against lymphatic filariasis, leprosy, tuberculosis, syphilis, drug testing and alcoholism. The results of the pregnancy test is reflected in their health examination reports upon hiring and the extension of the worker permit process as part of the recruitment procedure in Thailand. Although there is no such requirement from factory management, it was observed that pregnancy test results is reflected in the Laotian migrant workers' health examination reports upon hiring and the extension of the worker permit process as a part of recruitment procedure followed by agent in Laos, posing a risk for discrimination in the renewal process.

Local Law or Code Requirement

Recommendations for Immediate Action

1. Cease the practice of mentioning the pregnancy test results in the health examination report upon hiring and the extension of the contract of migrant workers from Laos. Ensure that the pregnancy test results cannot be used as a discriminatory practice during the recruitment process and extension process for work permits.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The recruitment agency that the factory works with requires migrant workers from Laos to undergo a legally required health examination upon hiring, which includes a pregnancy test. This health examination is part of the process to obtain a permit to work in Thailand and tests for pregnancy, lymphatic filariasis, leprosy, tuberculosis, syphilis, drug use, and alcoholism. Although the factory does not require it, the pregnancy test results are included in migrant workers' health examination reports during the hiring and work permit renewal process, which can pose a risk of discrimination. During the assessment, there was no evidence that information on pregnancy is used in a discriminatory manner in the factory's hiring process. Please see FLA's report titled Triple Discrimination: Woman, Pregnant, and Migrant for more information.

PREVIOUS FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Workers are automatically paid their annual leave at the end of the year, and can only use their paid annual leave that they are legally entitled to upon request. If a worker is paid out his/her annual leave and needs to take leave, he/she will have to take unpaid leave upon request and agreement with the factory.

Local Law or Code Requirement

The Labor Protection Act B.E. 2541, Section 30; FLA Workplace Code; (Annual Leave Benchmarks: HOW.11)

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The factory provides workers paid annual leave as required.

PREVIOUS FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory management has defined its production targets including weekly overtime hours of 24 hours per week. 90% of the 50 sampled workers worked more than 60 hours per week in the previous 12 months. The factory has an average weekly overtime working hours ranging from 14 hours to a maximum of 17.5 hours, or 62 to 65.5 hours per week of total weekly working hours. HOW 1, HOW 8

2. The factory includes overtime as a general practice in production planning.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.14; Hours of Work Benchmark HOW.1.3)

Recommendations for Immediate Action

1. Ensure that weekly total working hours (regular + overtime) do not exceed 60 hours per week. Revise the weekly production target to not exceed the 60 hours per week, including overtime.

2. Do not include overtime in production planning.

3. FLA affiliate Company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair

Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:

a. How to provide better order forecasts to the factories;

b. Possible workshops/consultancy for the factory on how to improve;

c. Clear guidelines on how to extend shipment deadlines in case of contingencies;

d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with

the brand's Sourcing and Social Compliance teams);

e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work

beyond regular working hours or during breaks;

Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Production planning including 24 hours of overtime per week (64 total hours per week). 90% of the 50 sampled workers worked more than 60 hours per week in the previous 12 months. On average, the factory's workers work an average of 14 hours of overtime per week, or 62 total hours (regular plus overtime hours) per week. [HOW.1, HOW.8]

Root Causes:

1. The production planning includes overtime.

2. Urgent additional orders from buyers are added during the production process, which results in short production lead times and late material preparation.

2. Finding Status (Not Remediated)

Explanation: The factory includes overtime in production planning. [HOW.8]

Root Causes:

1. Production staff is not aware that overtime hours should not be included in production planning.
2. The factory is not aware of the FLA Workplace Code's requirements.

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.8)

Recommendations for Immediate Action

1. Ensure that workers' total working hours (regular plus overtime hours) do not exceed 60 hours per week.
2. Do not include overtime in production planning.
3. FLA affiliate Company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
 - a. How to provide better order forecasts to the factories;
 - b. Possible workshops/consultancy for the factory on how to improve;
 - c. Clear guidelines on how to extend shipment deadlines in case of contingencies;
 - d. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
 - e. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
 - f. Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

PREVIOUS FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. Although factory management has informed workers about Thai Labor Standards (TLS 8001-2004), workers have not received any training on FLA Workplace Code and benchmarks and therefore are not aware of them.

Local Law or Code Requirement

Thai Labor Standard 8001-2004); FLA Workplace Code (Employment Relationship Benchmark ER.16.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: The factory still does not provide any training to workers on the FLA Workplace Code and Benchmarks and none of the workers are aware of its content. [ER.16]

Root Causes:

1. Management is not aware that they are required to provide training on the FLA Workplace Code and Benchmarks to all workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.16)

PREVIOUS FINDING NO.15

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory does not have a Retrenchment policy, nor procedures for both Termination and Retrenchment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: The factory still does not have a Retrenchment policy or procedures on Termination & Retrenchment. [ER.1, ER.19, ER.32]

Root Causes:

1. The management and compliance team are not familiar with the FLA Workplace Code and Benchmarks.
2. The compliance team prepares the majority of the policies and procedures. There is a gap in the communication between the compliance team and the administrative staff on the different Employment Functions.
3. The factory does not deploy sufficient manpower and resources to develop and review the current policies and procedures.

Local Law or Code Requirement

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

PREVIOUS FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is not a backup battery for the existing centralized fire alarm system, as legally required.
2. The factory does not conduct any periodic fire drills at the dormitory buildings.
3. The factory does not have a fire alarm system in dormitory buildings. The factory does not have smoke detectors in the dormitory building and does not have any fire alarms.
4. The factory has car parking in front of emergency assembly areas posing a risk in case of evacuation.
5. Emergency illumination system were not illuminated and therefore malfunctioning in fire pump and generator rooms.
6. Fire drill logs are not provided with necessary details like attendance time/ announced or unannounced/ alarm type, detector or alarm button activated-issues observed during evacuation and fire alarm & safety systems, and signatures of EHS committee members.
7. Fire detectors are not controlled and tested by internal staff -with detector test spray- on a periodical basis.
8. Dormitories are not provided with first aid kits.
9. The factory does not have any ventilation for fire resistant cabins.
10. Hazardous chemical sprays at the mechanical workshop are stored next to the window exposed to sunlight, which may trigger an explosion.
11. The level sensor of the fire tank is not controlled on a periodical basis.

Local Law or Code Requirement

Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety, health and environment relating to protection and prevention of fire, B.E. 2012, Clause 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 9; Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety, health and environment relating to protection and prevention of fire, B.E. 2012, Clause 2; Notification of Ministry of

Industry Re : Fire prevention and protection in the factory, BE 2552, Section 4; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5 and HSE.25)

Recommendations for Immediate Action

1. Provide a backup battery for the existing centralized fire alarm system.

2. Perform fire drills are at dormitory buildings on a periodical basis.
3. Install a fire alarm system in dormitory buildings.
4. Ensure that there is no car parking in front of emergency assembly areas.
5. Ensure that the emergency illumination system is functioning in pump and generator rooms.
6. Ensure that all fire drill logs include all necessary details, including attendance time/ announced or unannounced/ alarm type – detector or alarm button activated- / issues observed during evacuation and fire alarm & safety systems/ signatures of EHS committee members, etc.
7. Establish a system to control fire detectors are controlled by internal staff, including detector test spray and the documentation of results.
8. Install first aid kits in all Dormitories. Regularly train and communicate workers on the usage of first aid kits.
9. Install a ventilation system at all fire resistant cabins.
10. Remove all sprays at the mechanical workshop and store them in a designated place w/o direct sunlight exposure.
11. Install a system to periodically control the level sensor of fire tank.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: There is a backup power supply available for the fire alarm system.

2. Finding Status (Remediated)

Explanation: The factory conducts periodic fire drills for the dormitory.

3. Finding Status (Partially Remediated)

Explanation: The factory installed a fire alarm system in the dormitory, but there are still no smoke detectors.

[HSE.1, HSE.5, HSE.25]

Root Causes:

1. Management is not aware that they should also install smoke detectors in the dormitory, along with the alarm systems.

2. Management lacks awareness on the FLA Workplace Code and Benchmarks.

4. Finding Status (Not Remediated)

Explanation: There are still some cars parked in the emergency assembly areas. [HSE.1, HSE.5]

Root Causes:

1. Management is not aware that they must create regulations prohibiting parking in emergency assembly areas.

2. The factory does not train the relevant employees on parking regulations.

3. Management does not fully understand the FLA Workplace Code and Benchmarks.

5. Finding Status (Remediated)

Explanation: The emergency illumination systems in the fire pump and generator rooms is functional.

6. Finding Status (Not Remediated)

Explanation: The factory was unable to provide assessors with fire drill records. [ER.2, HSE.1, HSE.5]

Root Causes:

1. There are no policies or procedures regarding the maintenance of fire drill records.
2. The relevant staff members have not been trained on the documentation of fire drills.
3. Management lacks awareness of the FLA Workplace Code and Benchmarks.

7. Finding Status (Remediated)

Explanation: The fire detectors are regularly monitored and tested.

8. Finding Status (Partially Remediated)

Explanation: There is a first aid kit in the dormitory but it is kept in the team leader's room which makes it hard for workers to access. [HSE.1, HSE.6, HSE.25]

Root Causes:

1. Management lacks awareness of the FLA Workplace Code and Benchmarks.
 2. The factory's internal Health & Safety inspection did not catch this problem.
9. Finding Status (Not Remediated)

Explanation: The fire resistant cabins in the chemical storage room are not ventilated. [HSE.1, HSE.9]

Root Causes:

1. Management lacks awareness of the FLA Workplace Code and Benchmarks.
 2. The factory's internal Health & Safety inspection did not catch this problem.
10. Finding Status (Remediated)

Explanation: All hazardous chemical sprays are stored in the fire-resistant cabin.

11. Finding Status (Remediated)

Explanation: The fire tank level sensor is monitored on a regular basis.

Local Law or Code Requirement

The Engineering Institute of Thailand EIT, Standard (2002-49); Notification of the Ministry of Welfare and Labor Protection, Subject: Basic Fire Fighting Practice and Fire Evacuation Exercise Requirement, B.E. 2556; Notification of the Department of Industrial Works regarding the Manual for Chemical and Hazardous Substances Storage (2007), Section 2.5.1; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.9, and HSE.25; Employment Relationship Benchmark ER.2)

Recommendations for Immediate Action

1. Install smoke detectors in the dormitory buildings.
2. Ensure that there are no cars parked in the emergency assembly areas.
3. Properly maintain fire drill training records.
4. Install first aid kits in a public area of the dormitory.
5. Install a ventilation system in all fire-resistant cabins.

PREVIOUS FINDING NO.17

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no procedure to conduct regular visual inspections roofing material containing asbestos.
2. The area with roofing material containing asbestos does not have any warning signs indicating the hazards.

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. Establish a visual inspection system for roofing material containing asbestos.
2. Install warning signs for the hazardous waste area that has roofing material containing asbestos, indicating it as such and potential the health hazards.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: There is no longer any asbestos in the factory. Management stated that all asbestos was removed by 2017.

2. Finding Status (Remediated)

Explanation: There is no longer any asbestos in the factory. Management stated that all asbestos was removed by 2017.

PREVIOUS FINDING NO.18

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Grounding measurements are not performed for the dormitory buildings on a regular basis.

2. The second dormitory buildings grounding results are not in line with local legal requirements.

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. Perform grounding measurements at the dormitory buildings on a periodic basis.

2. Ensure that the second dormitory's grounding results are in line with local requirements.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: Grounding measurements are performed for the dormitory buildings on a regular basis.

2. Finding Status (Remediated)

Explanation: The second dormitory's grounding results are in line with legal requirements.

PREVIOUS FINDING NO.19

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Three of the twelve sampled Material Safety Data Sheets (MSDS) are only available in English for chemicals used in production/maintenance/cleaning.

2. The factory's selection of Personal Protective Equipment (PPE) in several sections is not in line with the PPE suggested on the MSDS forms. For example, workers used incorrect masks when working with hazardous chemicals containing volatile organic compounds (VOC) instead of respirators.

3. There is no system to identify and replace hazardous chemicals (like the Toluene (108-88-3) TOA spray) 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 Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011) Section 22; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, and HSE.10.1)

Recommendations for Immediate Action

1. Provide a complete chemical inventory, with MSDS forms for all chemicals in the languages spoken by the

workers.

2. Ensure that the PPE selection is in line with the PPE suggested on the MSDS forms.

3. Create a system to identify and replace hazardous chemicals with less hazardous alternatives.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation: Around 80% of the Material Safety Data Sheets (MSDS) for the chemicals used in production processes, maintenance, and cleaning are only available in English and Thai, not Laotian. [HSE.1, HSE.10]

Root Causes:

1. Management is not fully aware of the FLA Workplace Code and Benchmarks.

2. The factory's internal Health & Safety inspection did not catch this problem.

3. The chemical safety training provided to supervisors is ineffective.

2. Finding Status (Remediated)

Explanation: At the time of the assessment, all workers were using appropriate PPE when handling chemicals.

3. Finding Status (Not Remediated)

Explanation: There is no system in place to identify and replace hazardous chemicals (like the Toluene (108-88-3) TOA spray) with less hazardous alternatives. [HSE.1]

Root Causes:

1. The factory lacks the professional knowledge to set up a system to identify and replace hazardous chemicals with less hazardous alternatives.

2. Management lacks awareness of the FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

Article 4 of Notification of Ministry of Industry Re: Registration of hazardous substances B.E. 2543 (2000); FLA Workplace Code (Health, Safety & Environment Benchmark HSE.10)

Recommendations for Immediate Action

1. Make copies of all MSDS available to workers in Laotian.

2. Establish a system to identify and replace hazardous chemicals with less hazardous alternatives.

PREVIOUS FINDING NO.20

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Not all high risk machines in the mechanical workshop are provided with proper machine guards. In addition, the finger and eye protectors on stitching machines in the sewing department are not used by operators.
2. Laser cutting machine in the laser cutting department are not equipped with proper ventilation. In addition, there is no information on wave length, power, and color of the laser labeled on the machine.

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.2 and HSE.14.1)

Recommendations for Immediate Action

1. Provide all high risk machines in the mechanical workshop with proper machine guards.
2. Ensure that the finger and eye protectors on stitching machines are actively used by operators.
3. Provide the laser cutting machine with proper ventilation, and post information on wavelength, power, and color on the machine.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: All high-risk machines in the mechanical workshop are equipped with proper machine guards.

2. Finding Status (Remediated)

Explanation: The laser cutting machine is equipped with a proper ventilation system. The machine is also labelled with information regarding the wavelength, power, and color of the laser.

PREVIOUS FINDING NO.21

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. A number of shelves were overloaded and bended in different sections of the production and warehouse areas. The factory does not post any maximum load capacity on the shelves in production and warehouse areas.
2. The compressed air tank in the compressor room is not fixed to its permanent position.
3. The factory has not installed a protective cage on the ladders leading through the factory roof.

Local Law or Code Requirement

The Occupational Safety, Health and Environment ACT B.E. 2554 (A.D. 2011), Section 6; and FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

Recommendations for Immediate Action

1. Identify and repair overloaded and bent shelves.
2. Post maximum load capacity on the shelves in the production and warehouse areas.
3. Affix the air tank to its permanent position.

4. Install a protective cage on the ladders leading through the factory roof.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: No overloaded or bent shelves were observed. The shelves' maximum load capacity is posted in the warehouse.

2. Finding Status (Remediated)

Explanation: The compressed air tank in the compressor room is secured in its permanent position.

3. Finding Status (Not Remediated)

Explanation: The factory still has not installed a protective cage on the ladders leading through the factory roof.[HSE.1, HSE.14]

Root Causes:

1. Management lacks awareness of the FLA Workplace Code and Benchmarks.

2. The factory's internal Health & Safety inspection did not catch this issue.

Local Law or Code Requirement

The Occupational Safety, Health and Environment Act, B.E. 2554 (2011), Section 6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.14)

Recommendations for Immediate Action

1. Install protective cages on the ladders leading through the factory roof.

PREVIOUS FINDING NO.22

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The worker integration component is missing across all Employment Functions. Factory has not established and implemented procedures to include workers' input/feedback on the creation, implementation, and revision of its policies and procedures. Therefore, workers are neither systematically integrated nor consulted in the decisionmaking processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.3)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: The factory has not established and implemented procedures to include workers' input/feedback on the creation, implementation, and revision of the policies and procedures of all Employment Functions. Therefore, workers are neither systematically integrated nor consulted in the decision-making processes. [ER.1, ER.25]

Root Causes:

1. The compliance team prepares the majority of the policies and procedure. There is a gap in communication between the compliance team and administration staff on different employment function.

Local Law or Code Requirement

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

New Findings and Action Plans

NEW FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide training to the canteen staff on how to handle and prepare food safely. [HSE.22]
2. The factory does not provide specific training for the relevant managers and supervisors on Termination & Retrenchment or Environmental Protection. [ER.1, ER.17]
3. The factory does not provide any ongoing training to workers on the following Employment Functions: Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; Environmental Protection; Health & Safety. [ER.1, ER.15]
4. The factory does not provide training on Workplace Conduct & Discipline to the relevant HR personnel and administrative staff. [ER.1, ER.17, ER.27]
5. The orientation training provided to workers does not cover Termination & Retrenchment or Environmental Protection. [ER.1, ER.15]

Local Law or Code Requirement

Occupational Safety, Health and Environment Act, B.E. 2554 (2011), Section 16; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.27; Health, Safety & Environment Benchmark HSE.22)

NEW FINDING NO.2

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)

NEW FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory does not have a policy or procedures on Personnel Development. [ER.1, ER.28, ER.29, ER.30]

Local Law or Code Requirement

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

NEW FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory contracts nine security guards through a security service provider. The factory's contract with the service provider does not specifically impart the power to the factory to directly pay the security guards' wages or ensure equality of compensation and workplace standards as set under the FLA Workplace Code and national laws and regulations. [ER.6]

2. The security guards' wages are paid by the security service provider, but the factory does not maintain the payment records. The factory only maintains the contract between factory and the security company and the

security guards' attendance records. [ER.2, ER.11, C.5, C.14, C.15]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.6, and ER.11; Compensation Benchmarks C.5, C.14, and C.15)

Recommendations for Immediate Action

1. Ensure that payroll documents are maintained by the security service provider and the factory. Pay security

guards directly and verify that their compensation is in line with FLA and legal requirements.

NEW FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The Hours of Work procedures do not include information on working hours for special categories of workers. [ER.1, ER.23]

2. The contract security guards are only provided one day off per month. [ER.11, HOW.1, HOW.2]

3. The contract security guards work 12 hours per day. [HOW.1, ER.11]

4. The contract security guards often work 84 hours per week. [ER.11, HOW.1, HOW.8]

Local Law or Code Requirement

The Factory Act, B.E. 2535 (1992), Chapter 6, Sections 50, 51, and 53; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.11, and ER.23; Hours of Work Benchmark HOW.1, HOW.2, HOW.4, and HOW.8)

Recommendations for Immediate Action

1. Provide the security guards with 24 consecutive hours of rest in every seven-day period.

2. Do not allow security guards to work more than ten hours per day, as legally required.

3. Do not allow security guards to work more than 60 hours per week, as required by local law and the FLA

Workplace Code.

NEW FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Workers are patted down each day. These pat downs are not gender sensitive (e.g. male workers are patted down by a female security guard). [H/A.10]

Local Law or Code Requirement

FLA Workplace Code (Harassment or Abuse Benchmark H/A.10)

Recommendations for Immediate Action

1. Cease the practice of daily pat downs. Only conduct body searches or physical pat downs when there is a

legitimate reason to do so and upon the consent of workers, unless a state official with the power to do so (e.g. a police officer) has ordered the search. Pat downs should be gender sensitive.

NEW FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The Environmental Protection procedures do not include steps to manage the factory's environmental impact on its surroundings. [ER.1, ER.31]

2. The factory hasn't identified whether its on-site operations generate any negative environmental impacts. [ER.31]

Local Law or Code Requirement

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

NEW FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no speed limit signs posted in the factory. [HSE.1, HSE.14]

2. The factory is not taking proactive steps to reduce repetitive-motion stress and injuries. The workstations are not adjustable to fit individual workers, the seating provided for worker is not ergonomic, and there are no anti-fatigue mats for workers who work standing up. [HSE.1, HSE.17]

3. The canteen does not keep food samples. [HSE.1, HSE.19, HSE.22]

4. The factory does not provide canteen staff with gloves to wear while preparing food. [HSE.1, HSE.7, HSE.19, HSE.22]

5. The warning signs posted on the control panels and electrical boxes in the factory and the dormitories are only written in Thai, not Laotian. [HSE.1, HSE.14]

6. There are no guidance documents available for external contractors and service providers concerning Health & Safety. [HSE.1]

7. The training provided to workers on PPE doesn't cover how to store and replace PPE. [HSE.8]

Local Law or Code Requirement

Occupational Safety, Health and Environment Act, B.E. 2554 (2011), Sections 6 and 17; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.8, HSE.14, HSE.17, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Post speed limit signs in the factory.
2. Provide workers with adjustable chairs and workstations and anti-fatigue mats.
3. Keep food samples for 72 hours in case of foodborne illness.
4. Monitor canteen staff to ensure that they wear gloves while preparing food.
5. Post warning signs in Thai and Laotian on the control panels and electrical boxes.
6. The training on PPE shall cover how to store and replace PPE.

NEW FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no secondary containment for the machine oil containers located in the maintenance room. [HSE.1, HSE.9]
2. The eye wash station in the chemical storage area has low water pressure. [HSE.1, HSE.6]

Local Law or Code Requirement

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. Install secondary containers for the machine oil.
2. Ensure that the eye wash stations have adequate water pressure.

NEW FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The signs marking the emergency assembly areas are only written in Thai, not Laotian. [HSE.1, HSE.5]
2. There is no first aid kit in the canteen and the production workshop. [HSE.1, HSE.6]
3. The evacuation map in Production Building #1 is posted outside of the workshop and is too small to read (about 12cm X 16 cm). There is no evacuation map posted in Production Building #2. [HSE.1, HSE.5]

Local Law or Code Requirement

Occupational Safety, Health and Environment Act, B.E. 2554 (2011), Section 6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, and HSE.6)

Recommendations for Immediate Action

1. Mark the emergency assembly areas with signs written in all languages spoken by workers, including Laotian.
2. Provide first aid kits in the canteen and the production workshop.
3. Post a larger version of the evacuation map inside of the workshop in Production Building #1. Post an evacuation map in Production Building #2.

NEW FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

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

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)