



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL VERIFICATION REPORT*

COMPANY: Acushnet Company
COUNTRY: China
FACTORY CODE: 520074745GV
MONITOR: Global Standards
AUDIT DATE: August 23-24, 2010
PRODUCTS: Golf Gloves
PROCESSES: Cutting/Punching, Stitching,
Pressing, Quality Control, Packing
NUMBER OF WORKERS: 1500

*To read the original IEM report of this factory, please visit the FLA website [here](#).
For an explanation on how to read this report, please visit the FLA website [here](#).



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Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

Noncompliance

Explanation: Even though company policy stated clearly workers do not need to submit a medical certificate when taking sick leave for 1-2 days; most workers understood that they had to send a medical certificate to their supervisor at any time when taking sick leave, even for one day. If the worker couldn't submit the medical certificate, s/he did not receive the wage on that day.

Plan Of Action: Acushnet Company agrees with the actions taken by factory management.

Deadline Date: 11/03/2008

Action Taken: Effective November 3, 2008, all levels of management were instructed to follow written company policy and no longer require medical certificates for sick leave of 1-2 days.

Plan Complete: Yes

Plan Complete Date: 11/03/2008

Action Verified: No

Action Verified Text: Completed: Policy was amended and included in orientations.

Action Verified Date: 08/24/2010

Wages, Benefits and Overtime Compensation: Voluntary Wage Deductions

WBOT.14 Voluntary wage deductions for savings clubs, loan payments, etc. can only be made with the express and written consent of workers and shall be documented in employee files. All such voluntary deductions shall be credited to proper accounts and funds shall not be held illegally or inappropriately by employers. (S)

Noncompliance

Explanation: During the probation period, new workers have to wear a white T-shirt, which has to be bought from the facility according to factory rule. The cost of T-shirt is 130-140 THB each; it is deducted from the worker's wage, as reflected in payroll ledgers. Workers signed their consent to allow the deduction from their wages directly. Besides, a fitness center is provided for employees, and workers also have to pay membership fees at 20 THB per month; the consent letter with workers' signatures was provided to allow the facility to deduct the membership fee from their wages.

Plan Of Action: Acushnet Company agrees with the Supplier CAP below as it relates to both findings.

Deadline Date: 01/01/2009

Action Taken: Effective January 1, 2009, the factory will no longer deduct for the cost of T-shirts from the wages of new workers during the probation period. These workers will be allowed to wear their own white T-shirts during the probationary period. Deductions for the Fitness Center membership will continue. This is a very unique benefit, participation is completely voluntary and cost is very minimal. Each associate who decides to join will voluntarily complete a written consent form authorizing this deduction from their wages.

Plan Complete: Yes

Plan Complete Date: 01/01/2009

Action Verified: No

Action Verified Text: Completed: Policy was amended and evidence was provided through worker interviews.



Action
Verified Date:

Freedom of Association: Employer Interference/Registration

FOA.6 The employer shall not attempt to influence or interfere in any other way, to the detriment of worker's organizations, with government registration decisions, procedures and requirements regarding the formation of workers' organizations. (S)

Noncompliance

Explanation: The Welfare Committee was elected by workers to be their representative. Since February 28, 2005, those members have gone past the legal limit of committee service, which is two years; this requires re-election by workers. Besides, the majority of committee members are from the management level, such as supervisors or office staff; therefore, workers are not involved in being direct workers' representatives as the labor law intends.

Plan Of Action: Acushnet Company supports and agrees with the action taken and implemented by the factory.

Deadline Date: 12/09/2008

Action Taken: An election was held on December 9, 2008 to form the new Welfare Committee. The new committee is comprised of 15 people. Eight members are management/office staff associates and 7 are production workers representing various manufacturing departments. This is well above Thai law requirements of 5 production associates. Elections will be held and a new Welfare Committee formed every 2 years with the next election planned for December 2010.

Plan Complete: Yes

Plan Complete Date: 12/09/2008



Action Verified: No

Action Verified Text: Completed: Policy and procedures have been amended.

Action Verified Date: 08/24/2010

Freedom of Association: Other - Freedom of Association and Collective Bargaining

Other

Noncompliance

Explanation: The employer did not hold meetings with the Welfare Committee in the business establishment at least once every three months during the year 2008. Management reported that there is a monthly meeting between management team with the TLS 8001 Committee, which includes the labor issues addressed during the meeting as well.

Plan Of Action: Acushnet Company agrees with the Supplier CAP as detailed below.

Deadline Date: 12/09/2008

Action Taken: The new committee was elected on December 9, 2008; starting in 2009 the committee will meet as a group at least once every 3 months. The first meeting of the new committee is planned for February 11, 2009.

Plan Complete: Yes

Plan Complete Date: 02/11/2009



Action Verified: No

Action Verified Text: Completed: The policy and procedures were amended (a new election was held).

Action Verified Date: 08/24/2010

Non-Discrimination: Employment Decisions

D.2 All employment decisions shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job. (P)

Noncompliance

Explanation: Based on the documents reviewed, it was disclosed that the job advertisement revealed that the facility limited the applicant age for positions of technician and driver to not over 35 years old. Besides, the letter of manpower requested for the stitching positions required workers between the ages 18-30 years old; thus, the hiring process is treated as discriminatory for the newcomer.

Plan Of Action: Acushnet Company agrees fully with the change made to hiring practice.

Deadline Date: 11/17/2008

Action Taken: Effective November 17, 2008, age will no longer be used as a hiring requirement for any position at the company.

Plan Complete: Yes

Plan Complete Date: 08/31/2010



Action Verified: No

Action Verified Text: Pending: Another advertisement was found that displays discriminatory practices in the workplace (requesting technicians below the age of 30).

Action Verified Date:

Follow-up Plan of Action: Effective August 31, 2010, Company Policy established which reads "[Factory name] has no policy to engage in or support discrimination in hiring, job application, job advertisement, payment of wage and remuneration, providing welfare and opportunity for training and development, promotion, termination of employment or retirement based on nationality, race, religion, language, age, sex, marital status, sexual orientation, disability, HIV infection, AIDS and tuberculosis patient, trade union membership, political affiliation or personal opinion and has no policy barrier or discriminate against job applicants who are pregnant." This policy applies to all parties, meaning permanent employees, temporary employees, full-time employees, periodical employees and job applicants.

Non-Discrimination: Recruitment and Employment Practices (Job Advertisements, Job Descriptions, Evaluation Policies)

D.3 Recruitment and employment policies and practices, including job advertisements, job descriptions, and performance/job evaluation policies and practices shall be free from any type of discriminatory bias. (S)

Noncompliance

Explanation: The employment application contains questions about nationality, race, religion and marital status which may lead to discriminating practices.

Plan Of Action: Acushnet Company agrees with this change and will follow up to ensure that nationality, race, religion and marital status will have no impact on the hiring process.

Deadline Date: 11/03/2008



Action Taken: On November 3, 2008, our employment application was revised removing any references to nationality, race, religion and marital status. None of these criteria will be used in any way in the hiring process. Employment application modified.

Plan Complete: Yes

Plan Complete Date: 11/03/2008

Action Verified: No

Action Verified Text: Completed: Policy and procedures have been amended.

Action Verified Date: 08/24/2010

Health and Safety: General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

Noncompliance

Explanation: Occupational safety, health and working environment as an independent unit or department has not been established in the workplace according to Ministerial Regulation RE: Standard for Occupational Health, Safety and Working Environmental Management B.E. 2549.

Plan Of Action: Acushnet Company agrees with the change in reporting structure and supports fully the Supplier CAP.

Deadline Date: 01/01/2009



Action Taken: In compliance with Thai law, we have a designated/dedicated safety officer who currently reports to the Human Resources Manager. Effective January 1, 2009, this associate will report directly to the General Manager in compliance with Thai law.

Plan Complete: Yes

Plan Complete Date: 01/01/2009

Action Verified: No

Action Verified Text: Completed: The factory has clearly established responsibilities of Health and Safety teams.

Action Verified Date: 08/24/2010

Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: At cutting section Tables 1 and 2 in Building #2, the factory does not provide PPE, such as chainmail gloves, for workers.

Plan Of Action: Based on extensive prior glove testing and resultant failure, Acushnet Company supports the factory's response and position taken below.

Deadline Date: 11/17/2008



Action Taken: Various gloves, including chainmail, have been tested in production trials over the years. None of these gloves have been adopted due to causing both discomfort to the worker and a lack of dexterity, which result in increased product damages. Going forward, factory would be open to trialing a different glove recommended by the FLA.

Plan Complete: Yes

Plan Complete Date: 11/17/2008

Action Verified: No

Action Verified Text: Pending: No change in place. However, the factory controls operations in this area and has implemented related risk assessment and management controls.

New finding: Workers were operating cutting machines while sitting on top of the tables (in socks and with no metal gloves).

New finding: Workers were welding without wearing safety glasses or other related protection.

Action Verified Date: 08/24/2010

Follow-up Plan of Action: Supplier CAP for above issues:
Cutting Table: Current procedure has been used since factory inception (20 years) with no safety incident. However, factory has placed a purchase order for a new spreading and cutting table, which is used by most garment factories. The worker will remain on the floor. The table will be installed prior to year's end.

Welding: Factory has implemented a welding procedure and training program, with PPE provided for all technicians. Retraining was completed in September 2010 with strict ongoing checks by the supervisor to make sure they are in compliance.



Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation: The factory does not provide an eyewash basin in the inspection control room or laboratory and MSDS is not posted where the chemical is stored or used.

Plan Of Action: Acushnet Company agrees with the Supplier CAP and action plan below.

Deadline Date: 12/13/2008

Action Taken: The only chemical being mixed in the inspection control room is synthetic perspiration, which mimics normal human perspiration for testing purposes. Synthetic perspiration is composed primarily of sodium, and none of the chemicals are on the Dangerous Substances Directive list. A Job Safety Analysis was performed on mixing synthetic perspiration and the rating was 5 (very low risk). In addition, the job instructions call for associates to work under a hood and to be fully protected with both eye goggles and gloves when mixing. Given all these factors, we do not believe installing an eyewash basin is necessary in the inspection control room. MSDS have been posted in storage and making areas.

Plan Complete: Yes

Plan Complete Date: 12/13/2008

Action Verified: No

Action Verified Text: Ongoing: Eyewash basins are now in place. However, MSDS does not detail handling procedures (as posted at the chemical storage cabinet).

Action Verified Date: 08/24/2010



Follow-up Plan of Action: Factory response to above: MSDS has been revised to include detailed handling procedures. Completed September 2010.

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Some sewing machines have no protective gears at the wheel parts and needle guards at the needle parts. For example, at the spare line, sampling line and logo embroidery line in Building #2 and the sewing line in Building #1.

Plan Of Action: Acushnet Company commends the factory for the fast response to this issue and agrees with the action plan.

Deadline Date: 11/17/2008

Action Taken: Protective gears have now been added to all machines as recommended in the explanation above.

Plan Complete: Yes

Plan Complete Date: 11/17/2008

Action Verified: No

Action Verified Text: Completed: Protection is provided on all machinery.

Action 08/24/2010
Verified Date:

Health and Safety: Other - Health and Safety

Other

Noncompliance

Explanation: Lock-out and tag-out was not hanging while the maintenance staff repaired the cutting machine at cutting section Table 1 in Building #2.

Plan Of Action: Acushnet Company commends the factory for the fast response to this finding and agrees with the action plan.

Deadline Date: 11/17/2008

Action Taken: We have a lock-out and tag-out procedure for machines requiring repair. However, in this case, the machine was newly purchased and in the assembly stage. These machines are now fully assembled, properly tagged and safely operating.

Plan Complete: Yes

Plan Complete Date: 11/17/2008

Action Verified: No

Action Verified Text: Completed: Lock-out and tag-out system in place.

Action 08/24/2010
Verified Date:

Hours of Work: Sick Leave

HOW.19 Employers shall provide workers with sick leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation: Even though the company policy stated clearly workers do not need to submit a medical certificate when taking sick leave for 1-2 days; most workers understood that they had to send the medical certificate to their supervisor any time when taking sick leave, even for one day. If the worker couldn't submit the medical certificate, s/he did not receive the wage on that day.

Plan Of Action: Acushnet Company agrees and supports the action taken by the factory.

Deadline Date: 11/17/2008

Action Taken: We have stopped requesting medical certificates for sick leave of 1-2 days in compliance with our company policy.

Plan Complete: Yes

Plan Complete Date: 11/17/2008

Action Verified: No

Action Verified Text: Completed: The company has amended procedures and policies accordingly.

Action Verified Date: 08/24/2010

Hours of Work: Other - Hours of Work

Other

Noncompliance

Explanation: Although the factory has procedures to protect pregnant workers, it was discovered from the pregnancy records that 2 out of 24 pregnant workers reported to the HR Department when they were pregnant for 7 months; those have been working OT since they became pregnant.

Plan Of Action: Acushnet Company agrees with the factory's policy for pregnant workers and the recent actions taken to ensure this policy is complied with.

Deadline Date: 11/17/2008

Action Taken: We do have a formal procedure to protect pregnant workers included in our TLS 8001. The procedure states that pregnant workers must submit a written form to their supervisors once they know they are pregnant. Once completed, overtime for pregnant workers is not permitted. Unfortunately, many pregnant workers do not submit the form on a timely basis. We have recently conducted training with line management to be more attentive in identifying pregnant workers to ensure we comply with our stated policy.

Plan Complete: Yes

Plan Complete Date: 11/17/2008

Action Verified: No

Action Verified Text: Completed: No OT found and workers report that pregnancy status is reported on a timely basis.

Action Verified Date: 08/24/2010