2010

Fair Labor Association
Independent External Monitoring Report

COMPANY: NK Apparel Co. Ltd.
COUNTRY: Thailand
FACTORY CODE: 6100741071I
MONITOR: Global Standard Consultant Service, Co., Ltd.
AUDIT DATE: August 30 – 31, 2010
PRODUCTS: Knit Shirts, Knit Pants
PROCESSES: Cutting, Sewing, Ironing, Inspection, Packing
NUMBER OF WORKERS: 2030

FLA Comment: This report was submitted to the FLA and the FLA-affiliated company by the accredited independent external monitor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to and reviewed by the FLA.

For an explanation on how to read this report, please visit the FLA website here.

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Wages, Benefits and Overtime Compensation: Worker Wage Awareness

WBOT.22 Employers shall make every reasonable effort to ensure workers understand the wages, including the calculation of wages, incentives systems, benefits and bonuses they are entitled to in a factory and under applicable laws. To this end, employers shall communicate orally and in writing to all workers all relevant information in the local language or language(s) spoken by the workers, if different from the local language. (P)

Noncompliance

Explanation: Workers do not demonstrate sufficient understanding of how to calculate their wages.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Harassment or Abuse: Discipline/Progressive Discipline

H&A.2 Employers shall have a written system of progressive discipline (e.g., a system of maintaining discipline through the application of escalating disciplinary action moving, for instance, from verbal warnings to written warnings to suspension and finally to termination). Any exceptions to this system (e.g., immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to workers. (P)

Noncompliance

Explanation: Supervisors are not following a fair and progressive disciplinary system as outlined in factory regulations, including avoiding verbal abuse. Although it was noted that training was held for supervisors on this point in August 2010, this finding was also reported by workers.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Code Awareness:

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Noncompliance

Explanation: Workers are not clear about the purpose or details of the code of conduct (CoC).

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: Sewing (Building 1) fire exit on 2nd floor was partially blocked by containers. 1 emergency exit in the print shop was not properly marked.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: No fire extinguisher found in the boiler room area (of warehouse Building 7).

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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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: Warehouse (Building 11) workers are not wearing safety shoes while operating forklift. Workers in print workshop are not wearing proper personal protective equipment (PPE) for handling chemicals in operations. No specific medical tests are given based on the chemicals used in the workplace. Workers were using only cotton masks, which contradicts with material safety data sheet (MSDS) requirements for carbon masks, gloves, and goggles for several chemicals on site. Also, hearing tests taken at the embroidery department show partial hearing loss.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Noncompliance

Explanation: Many chemicals do not have proper labels and hazard signs marked on containers used in production.

Legal Reference: Thai Notification of Ministry of Interior (Working Safety Relating to Harmful Chemicals)

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Health and Safety: Protection Reproductive Health

H&S.16 Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health. (S)

Uncorroborated Evidence of Noncompliance

Explanation: No protection observed against heavy lifting by pregnant workers in sewing sections, as it is part of the job responsibilities.

Plan Of Action:

Deadline Date:

Supplier CAP:

Supplier CAP Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: Ventilation in several areas of print workshop is not functioning properly or absent at related stations (paint mixing room, screen cleaning room). Also, there are no explosion-proof lamps or switches in chemical storage area (print workshop).

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

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Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: According to payroll records, overtime hours in November/December 2009 and June/July 2010 were 68 - 76 hours per week.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:

Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Noncompliance

Explanation: Workers in 2 departments were found working on Sundays without an additional day off (July/August) for 13 consecutive work days.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date: