### FLA Audit Profile

<table>
<thead>
<tr>
<th>Country</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory name</td>
<td>34607445C</td>
</tr>
<tr>
<td>BRC</td>
<td>BV-CPS-SA(TH)</td>
</tr>
<tr>
<td>Date of audit</td>
<td>March 10-11, 2004</td>
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<tr>
<td>Days in the facility</td>
<td>2</td>
</tr>
<tr>
<td>PCs</td>
<td>VF-Jansport</td>
</tr>
<tr>
<td>Number of workers</td>
<td>758</td>
</tr>
<tr>
<td>Product(s)</td>
<td>Bags</td>
</tr>
<tr>
<td>Production processes</td>
<td>Store, Sewing, QC, QA, Packing, Cutting, Assembly</td>
</tr>
</tbody>
</table>

### Findings

<table>
<thead>
<tr>
<th>FLA Code/Compliance Issue</th>
<th>Country Law/Legal Reference</th>
<th>FLA Benchmark</th>
<th>Monitor’s Findings</th>
<th>Documentation</th>
<th>Best Practice</th>
<th>PC Internal Audit Findings (Optional)</th>
<th>PC Remediation Plan</th>
<th>Target Completion Date</th>
<th>Factory Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Code Awareness</td>
<td></td>
<td>FLA Principles of Monitoring, Obligations of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.</td>
<td>Only FLA workplace standards in English were posted on the bulletin board outside the guard room. No FLA workplace standards training was included in the annual training program.</td>
<td>Recommendation to install a master bulletin board; post FLA workplace standards in both English and Thai language; post all written working conditions and worker benefits; and introduce FLA workplace standards training to annual training program.</td>
<td>10/30/2005</td>
<td></td>
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<tr>
<td>2. Forced Labor</td>
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<tr>
<td>3. Child Labor</td>
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<tr>
<td>4. Harassment or Abuse</td>
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<tr>
<td>5. Nondiscrimination</td>
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<tr>
<td>6. Health and Safety</td>
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</tbody>
</table>

### Remediation

- **Findings**
  - **Worker/Management Awareness of Code**
    - FLA Principles of Monitoring, Obligations of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.
    - Only FLA workplace standards in English were posted on the bulletin board outside the guard room. No FLA workplace standards training was included in the annual training program.
    - Recommendation to install a master bulletin board; post FLA workplace standards in both English and Thai language; post all written working conditions and worker benefits; and introduce FLA workplace standards training to annual training program.
    - **Target Completion Date**: 10/30/2005
  - **Forced Labor**
  - **Child Labor**
  - **Harassment or Abuse**
  - **Nondiscrimination**
  - **Health and Safety**

- **FLA Audit Profile**
  - **PC Internal Audit Findings (Optional)**
  - **PC Remediation Plan**
  - **Target Completion Date**
  - **Factory Response**
Evacuation Procedure
All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/doors, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.

Monitor's Findings

Documentation
PC Internal Audit Findings (Optional)
Need to conduct fire evacuation drills twice annually, and schedule 2nd fire evacuation drill for 2005.

Remediation
12/23/2005

Target Completion Date
Sanitation in Dining Area
All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.

Monitor's Findings
New worker canteen block in use from July 2005. Sanitation certification applied, but not yet in hand. Physical health checks for all 12 contractor food service workers conducted with records.

Documentation
Payroll and attendance records from software system and manual records from supervisor.

PC Remediation Plan
Need to follow up sanitation certification approval for new workers in the canteen block, and post health check records of food service workers at canteen.

Remediation
11/5/2005
Sanitation certification approval might be gotten in approximately another 60 days.

Target Completion Date
Minimum Wage
Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.

Monitor's Findings
Auditors could verify only 1 month of payroll record, for February 2004; it contradicted workers who said they did the OT hours. Factory has to pay 150% of normal working hour rates, but not shown in payroll.

Documentation
Payroll and attendance records from software system and manual records from supervisor.

PC Internal Audit Findings (Optional)
New computerized attendance and wage system was introduced since May 2004. Effective 08/01/2005, new local legal wage standard at Baht 150 per day to replace Baht 144 per day was known and followed. From review of 25 tested samples from October 2004 to September 2005, individual worker attendance including overtime hours, wage, legal overtime compensation, and holiday pay could be reviewed from system.

Remediation
On-going.

Target Completion Date
Record Maintenance
All compensation records will be maintained accurately and should be acknowledged by the employee as accurate.

Monitor's Findings
Factory could not provide auditors attendance records for 12 months back, only could provide for February 2004. According to Labor Protection Act B.E. 2541, Chapter 5, Section 114: An employer who employs 10 or more persons shall provide document relating to the payment of wages, overtime pay, holiday pay and holiday overtime pay, which shall contain at least the following particulars:
1) Working day and working time; 2) Working done by employees who receive wages on a piece rate basis; and 3) Rate and amount of wages, overtime pay, holiday pay and holiday overtime pay received by each employee.

Documentation
Attendance Records
New computerized attendance and wage system was introduced since May 2004. Effective 08/01/2005, new local legal wage standard at Baht 150 per day to replace Baht 144 per day was known and followed. From review of 25 tested samples from October 2004 to September 2005, individual worker attendance including overtime hours, wage, legal overtime compensation, and holiday pay could be reviewed from system.

PC Remediation Plan
On-going.

Target Completion Date
### 6. Hours of Work

Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.

#### Overtime Limitations

Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least 1 day off in every 7-day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.

#### Overtime Compensation

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at:

- **1.1. FLA Benchmark**
  - 10. Overtime Compensation
    - Employees will be paid for all hours worked in a week. Calculation of hours worked must include all time that the employer allows or requires the worker to work.
    - Auditors could verify only 1 month of payroll records, for February 2004; it contradicted what workers said that they did the OT hours and on holiday (Sunday).
    - Payroll and attendance records from software system and manual records from supervisor. New computerized attendance and wage system was introduced since May 2004. Attendance and wage records of October 2004 to September 2005 could be extracted from system. Individual worker attendance including OT hours, wage, legal OT compensation, and holiday pay could be reviewed from system. Monthly sheet with daily voluntary signed OT consent from each worker kept. From work hours check during May to September 2005, on 25 tested samples, 3 workers had 66-75 working hours per week during 07/04-09, 8 workers had 66-70-12 working hours per week during 07/11-16, and 3 workers had 66 working hours per week during 09/11-06. Check in January 2006 confirms that computerized attendance and wage system format that factory is currently using is functioning properly. Wage standard and OT compensation are in accordance with legal requirements. Check in January 2006 confirms that computerized attendance and wage system format that factory is currently using is functioning properly. Wage standard and OT compensation are in accordance with legal requirements.

- **1.2. Best Practice**
  - Employees will be paid for all hours worked in a week. Calculation of hours worked must include all time that the employer allows or requires the worker to work.
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#### 10. Overtime Compensation

In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at:

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#### 10.2. Best Practice**

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#### Payroll and Compensation

The factory shall comply with applicable law for premium rates for overtime compensation.

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