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.
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Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: It was not possible to verify that workers were provided all benefits, as some related documents were not available for the last 12 months. It was observed that there is Sunday work, but the records on Sunday work are not being kept.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Wages, Benefits and Overtime Compensation: Payment for All Hours Worked

WBOT.7 Workers shall be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work. (S)

Noncompliance

Explanation: Cannot be verified due to inconsistencies in information gathered. The OT hours are not recorded properly; OT hours and Sunday work records are missing.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Wages, Benefits and Overtime Compensation: Accurate Calculation and Recording of Wage Compensation

WBOT.17 All payments to workers, including hourly wages, piecework, benefits, bonuses, and other incentives shall be calculated and recorded accurately. (S)

Noncompliance

Explanation: Cannot be verified as there are substantial inconsistencies between the time card records and electronic payroll documents.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete:

No

Plan Complete Date:
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 wage calculation.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Wages, Benefits and Overtime Compensation: Other - Wages, Benefits and Overtime Compensation
Other

Noncompliance

Explanation: Employee contracts do not match with new work rules and regulations. Employee contracts and application form contain the following information: - Sick leave without notice for more than 3 times will be deployed. (Without the disciplinary actions as a 3 stage process.) - Take leave without notice for more than 3 times will be deployed. (Without the disciplinary actions as a 3 stage process.) - Employees agree to let the factory adjust “number of normal working hours per week” by increasing or decreasing, but no more than 6 hours a week. The factory will inform employees of these changes on an ad hoc basis.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Forced Labor: Forced Overtime

F.14 The imposition of mandatory overtime beyond the limits set by the law, a freely negotiated collective bargaining agreement, and/or the FLA Code, in an environment where a worker is unable to leave the work premises, constitutes forced labor. (S)

Uncorroborated Evidence of Noncompliance

Explanation: Voluntary OT sheet appeared to be signed by management in lieu of worker signatures, as the pen ink and handwriting are very similar.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date: 
Freedom of Association: General Compliance Freedom of Association

FOA.1 Employers shall comply with all local laws, regulations and procedures concerning freedom of association and collective bargaining. (S)

Noncompliance

Explanation: There is a welfare committee in place, but no related activities or supporting records to verify that the committee is effectively working.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation: There are no procedures in place for reporting grievances to the management.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Harassment or Abuse: Discipline/Training of Management

H&A.7 Employers shall ensure managers and supervisors are fully familiar with the factory disciplinary system and trained in applying appropriate disciplinary practices. (P)

Noncompliance

Explanation: The disciplinary procedure was written, but it has not been put into practice and communicated effectively to the workers. Yet, the policy includes the following steps: 1) verbal warning, 2) written warning, 3) suspension and 4) dismissal.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Harassment or Abuse: Discipline/Monetary Fines and Penalties

H&A.8 Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance or for violating company rules, regulations, and policies. (S)

Noncompliance

Explanation: According to worker interviews and payroll review, the factory has monetary penalties. These include the following situations:

1. Late arrival at work: 1 Baht per minute. (Worker interview and document review) According to business law, this should follow minimum wage divided by hour or approximately .5 baht per minute.

2. Leave the company without advance notice: Workers are fined at the amount of wages equivalent to 3 working days. (Document review, payroll)

3. Inappropriate dress: 10-20 Baht. (Worker interview)

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Harassment or Abuse: Discipline/Verbal Abuse

H&A.11 Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline. (S)

Noncompliance

Explanation: Worker interviews revealed cases of verbal abuse and unfair treatment by supervisors.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Harassment or Abuse: Other - Harassment or Abuse

Other

Uncorroborated Evidence of Noncompliance

Explanation: The management appears to have coached workers on how to respond to auditors. For example, in several cases, workers said that they did not work OT in excess of 12 hours per week; despite payroll showing they did work well in excess of the code.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Taken: No

Plan Complete:

Plan Complete Date:
Non-Discrimination: Pregnancy Testing

D.6 Employers shall not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers shall not require pregnancy testing of female workers, except as required by national law. In such cases, employers shall not use (the results of) such tests as a condition of hiring or continued employment. (5)

Noncompliance

Explanation: According to worker interviews, the medical examination was conducted during the recruitment process. Female candidates are asked if they are currently pregnant.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
Non-Discrimination: Protection and Accommodation of Pregnant Workers and New Mothers

D.9 Employers shall abide by all protective provisions in local laws and regulations benefiting pregnant workers and new mothers, including maternity leave/benefits, prohibitions regarding night work, temporary reassignments away from work that pose risk to the health of women and their children, temporary adjustment of working hours during and after pregnancy, and the provision of breastfeeding breaks and facilities. Where such legal protective provisions are lacking, employers to take reasonable measures to ensure the safety and health of pregnant women and their unborn children. Such measures shall be taken in a manner that shall not unreasonably affect the employment status, including wages and benefits of pregnant women. (P)

Noncompliance

Explanation: Pregnant workers working overtime found in electronic payroll, but it does not show in time records.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
**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:**  The factory does not clearly understand the FLA process or code.

**Plan Of Action:**

**Deadline Date:**

**Action Taken:**

**Plan Complete:** No

**Plan Complete Date:**
Code Awareness:

GEN.2 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.

Noncompliance

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

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
**Code Awareness:**

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

**Noncompliance**

**Explanation:** There are no clear grievance channels in the factory or a way to communicate to the company.

**Plan Of Action:**

**Deadline Date:**

**Action Taken:**

**Plan Complete:** No

**Plan Complete Date:**
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: There is a safety committee in place, but no related activities or supporting records to verify its purpose or actions.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date: 
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: There isn’t any PPE or any related protection available in spot cleaning.

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: During the physical inspection, the auditors found a bottle containing spot removal liquid, without any labels on.

Plan Of Action:

Deadline Date:

Action Taken:

Plan Complete: No

Plan Complete Date:
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: No MSDS or related controls for spot cleaner. Thai Notification of Ministry of Interior (RE: Working safety relating to harmful chemicals). MSDS missing and is no statement of occupied hazardous chemical in place of operation within 7 days (Form SO. 1).

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:** The factory could not provide accurate payroll and time records. It was also reported that some forms were disposed of on a daily basis; therefore, it is not possible to confirm whether there is Sunday work or not.

**Plan Of Action:**

**Deadline Date:**

**Action Taken:**

**Plan Complete:** No

**Plan Complete Date:**
**Hours of Work: Time Recording System**

HOW.6 Time worked by all workers, regardless of compensation system, shall be fully documented by time cards or other accurate and reliable recording systems such as electronic swipe cards. Employers are prohibited from maintaining multiple time-keeping systems and/or false records for any fraudulent reason, such as to falsely demonstrate working hours. Time records maintained shall be authentic and accurate. (P)

**Noncompliance**

**Explanation:** Time records for OT are thrown away as verified by interviews with staff.

**Plan Of Action:**

**Deadline Date:**

**Action Taken:**

**Plan Complete:** No

**Plan Complete Date:**