

FLA Audit Profile

Factory Code	520074745G
Country	Thailand
FLA Affiliate	Acushnet
Other FLA Affiliates in Factory	None
Monitor	Kenan Institute Asia
Audit Date	July 21-22, 2008
Products	Golf Gloves
Processes	Cutting/Punching, Stitching, Pressing, QC and Packing
Number of Workers	1525



FAIR LABOR
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Table of Findings

Wages, Benefits and Overtime Compensation: A. General Compliance Wages, Benefits and Overtime Compensation _____	2
Wages, Benefits and Overtime Compensation: L. Voluntary Wage Deductions _____	2
Freedom of Association _____	3
Freedom of Association _____	4
Non-Discrimination _____	4
Non-Discrimination _____	5
Health and Safety: A. General Compliance Health and Safety _____	5
Health and Safety: K. Personal Protective Equipment _____	6
Health and Safety: N. Material Safety Data Sheets/Worker Access and Awareness _____	7
Health and Safety: R. Machinery Maintenance and Worker Training _____	7
Health and Safety: ZC. Other - Health and Safety _____	8
Hours of Work: S. Sick Leave _____	8
Hours of Work: W. Other - Hours of Work _____	9

520074745G_Thailand

Wages, Benefits and Overtime Compensation: A. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: Even though the company policy stated clearly that worker do not need to submit the medical certificate when taking sick leave for 1-2 days; therefore, most workers understood that they have 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 with the actions taken by factory management.

Deadline Date:

Supplier CAP: Effective 11/3/2008, all levels of management were instructed to follow written company policy and no longer require medical certificates for sick leave of 1-2 days.

Supplier CAP Date: 11/03/2008

Action Taken:

Plan Complete:

Plan Complete Date: 11/03/2008

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Wages, Benefits and Overtime Compensation: L. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: During the probation period the new workers has to wear a white T-shirt

and they has to buy from facility according to the factory rule. The cost of T-Shirt is 130-140 THB each and it is deducted from worker's wage which reflected in payroll ledgers; however, those workers have signed the consent to allow the deduction from their wage directly. Besides, fitness center is provided for the employee and workers also have to pay for member fee at 20 THB per month then the consent letter with workers signed was provided to allow the facility marking deduction the member fee from their wage.

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

Deadline Date:

Supplier CAP: Effective 1/1/2009, 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.

Supplier CAP Date: 01/01/2009

Action Taken:

Plan Complete:

Plan Complete Date: 01/01/2009

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Freedom of Association: F. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: The welfare committee was elected by workers to be their representative. Since February 28, 2005 those members have expired the legal limit of the committee to be in service for 2 years and then re-election by worker again. Besides, majority of committee member are from the management level such as supervisor or office staffs (white collar); thus, the blue collar is not involved to be a direct workers representative as the labor law intention.

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

Deadline Date:

Supplier CAP: An election was held on 12/9/2008 to form the new Welfare Committee. The new committee is comprised of 15 people. Eight are management/office staff associates and 7 people are production workers that represent various departments in manufacturing. 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.

Supplier CAP Date: 12/09/2008
 Action Taken:
 Plan Complete:
 Plan Complete Date: 12/09/2008
 Action Verified:
 Action Verified Text:
 Action Verified Date:
 Comments:

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

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: The employer did not hold meetings with the welfare committee in the business establishment at least once every three months in year 2008. Therefore, management reported that there is monthly meeting between management team with the TLS 8001 committee which including the labor censors were addressed during the meeting as well.

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

Deadline Date:

Supplier CAP: The new committee was elected on December 9, 2008 and starting in 2009 will meet as a group at least once every 3 months.

Supplier CAP Date: 12/09/2008

Action Taken: The first meeting of the new committee is planned for 2/11/2009.

Plan Complete:

Plan Complete Date: 02/11/2009

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Non-Discrimination: B. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: Based on the documents reviewed, it was disclosed that the job advertisement revealed facility limited the applicant age not over 35 year for position of technician and driver. Besides, the letter of manpower requested for position of stitching required age between 18-30 year old; thus, the hiring process is treated a discrimination for the new comer.

Plan Of Action: Acushnet Company agrees fully with the change made to hiring practice.
Deadline Date: 11/17/2008
Supplier CAP: Effective 11/17/2008, age will no longer be used as a hiring requirement for any position at the company.
Supplier CAP Date: 11/17/2008
Action Taken:
Plan Complete:
Plan Complete Date: 11/17/2008
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Non-Discrimination: C. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

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:
Supplier CAP: On 11/3/2008, 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.
Supplier CAP Date: 11/03/2008
Action Taken: Employment application modified.
Plan Complete:
Plan Complete Date: 11/03/2008
Action Verified:
Action Verified Text:
Action Verified Date:
Comments:

Health and Safety: A. General Compliance Health and Safety

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent	Kenan Institute	1 (out of 5)

External
Monitoring

Explanation: The occupational safety, health and working environment as an independent unit or department were not 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:

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

Supplier CAP Date: 01/01/2009

Action Taken:

Plan Complete:

Plan Complete Date: 01/01/2009

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: K. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: Cutting section Table 1 and 2 in Building No.2, the factory does not provide PPE such as chain-mail 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:

Supplier CAP: Various gloves, including chain mail, have been tested in production trials over the years. None of these gloves have been adopted due to worker discomfort and lack of dexterity that resulted in increased product damages. Going forward, the factory would be open to trialing a different glove recommended by the FLA.

Supplier CAP Date: 11/17/2008

Action Taken: None

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: N. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: The factory does not provide eye wash 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:

Supplier CAP: 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 instruction calls 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 eye wash basin is necessary in the inspection control room. MSDS have been posted in storage and making areas.

Supplier CAP Date: 12/13/2008

Action Taken:

Plan Complete:

Plan Complete Date: 12/13/2008

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: R. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: Some sewing machines have no protective gears at the wheel parts and with the needle guarding at the needle parts, for example, at the spare line, sampling line and logo embroidery line in Building No.2 and the sewing line in Building No.1.

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

Deadline Date:

Supplier CAP: Protective gears have now been added to all machines as recommended in the Explanation above.

Supplier CAP Date: 11/17/2008

Action Taken:

Plan Complete:

Plan Complete Date: 10/01/2008

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Health and Safety: ZC. Other - Health and Safety

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: Tag-in and tag-out was not hanging while the maintenance staff repaired the cutting machine at cutting section Table 1 in Building No.2.

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

Deadline Date:

Supplier CAP: We have a tag-in 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.

Supplier CAP Date: 11/17/2008

Action Taken:

Plan Complete:

Plan Complete Date: 08/01/2008

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: S. Sick Leave

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External	Kenan Institute	1 (out of 5)

Monitoring

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

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

Deadline Date:

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

Supplier CAP Date: 11/17/2008

Action Taken:

Plan Complete:

Plan Complete Date: 11/03/2008

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Hours of Work: W. Other - Hours of Work

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/21/2008	External	FLA Independent External Monitoring	Kenan Institute	1 (out of 5)

Explanation: Although, the factory had procedure to protect pregnant worker, we still found from the pregnancy record that 2 out of 24 reported the H/R department when pregnant for 7 months; thus, those have been working OT since they got 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:

Supplier CAP: 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 she knows that she is 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.

Supplier CAP Date: 11/17/2008

Action Taken:

Plan Complete:

Plan Complete Date: 11/17/2008

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

