



2011

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Tumi, Inc.
COUNTRY: Thailand
FACTORY CODE: 870074567J
MONITOR: Global Standard Consultant
Service Co., Ltd.
AUDIT DATE: December 15, 2011
PRODUCTS: Suitcases, Bags
PROCESSES: Cutting, Sewing, Fastening,
Soldering, Painting and Packing
NUMBER OF WORKERS: 500



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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: Contracts for Cambodian workers are incomplete (missing key data such as agreed upon wages and regulations of the factory).

Plan Of Action: Factory is required to add the wages and regulations on the employment contract for Cambodian workers.

Deadline Date:

Supplier CAP: Contracts for Cambodian workers have been rewritten and signed again.

Supplier CAP Date:

Action Taken: Update on March 8, 2012: The above was verified by document review during the factory visit.

Plan Complete: Yes

Plan Complete Date: 02/28/2012



Wages, Benefits and Overtime Compensation: Overtime Compensation Awareness

WBOT.11 Workers shall be informed, orally and in writing, about overtime compensation rates prior to undertaking overtime. (P)

Noncompliance

Explanation: Interviews with the workers revealed that the workers paid using the target system do not understand how to calculate their incentive pay.

Plan Of Action: Factory is required to explain the wages and incentive pay structure to workers and document it.

Deadline Date:

Supplier CAP: A clear wage and incentive pay structure notice was created and posted in a public area for workers to read.

Supplier CAP Date:

Action Taken: Update on March 8, 2012: This was verified by document review during the factory visit.
Update on March 18, 2013: Some workers were interviewed and they all understood the wage structure.

Plan Complete: Yes

Plan Complete Date: 02/27/2012

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 aware of any policies or procedures related to the code of conduct. The monitors did not observe any postings of the code of conduct on the production floor.

Plan Of Action: The FLA code of conduct in English was sent to the factory. It should be translated to the local language and communicated to the workers.

Deadline Date:

Supplier CAP: The FLA code of conduct has been translated to Thai and Cambodian. The factory posted it in the entrance of the factory and announced it to workers.

Supplier CAP Date:

Action Taken: Update on March 18, 2013: It was verified that the FLA code of conduct was translated to Thai and Cambodian and posted at the entrance of the workshop.

Plan Complete: Yes

Plan Complete Date: 03/28/2012

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 were no confidential reporting mechanisms available for workers to report noncompliances to Tumi.

Plan Of Action: Tumi assigned 2 local quality inspectors as confidential reporting mechanisms. They are stationed at the factory at all times and the workers are able to easily access them.

Deadline Date:

Supplier CAP: Tumi employees [names have been removed] have been assigned as confidential reporting mechanisms. Factory has posted their contacts next to the FLA Code of Conduct.

Supplier CAP Date:

Action Taken: Update on March 8, 2012: This was verified by a follow up visit.

Plan Complete: Yes

Plan Complete Date: 03/02/2012

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: The factory does not have a qualified company to pick up empty chemical containers as per the Notification of the Ministry of Industry BE2548.2 The factory does not comply with the following Notifications of the Department of Labor Protection and Welfare:

1) While there is a safety committee present, they do not keep records of meetings in accordance with the Labour Protection Act.

2) They do not keep accident investigation reports/work-related illness reports.

3) While they have a safety officer, they have not notified the government office of the name of the safety officer.

4) The factory has not filed a report of proceedings of work safety and work performance of safety officers twice a year as required by the Notification of the Ministry of Interior.

5) There was no regular doctor in attendance at the factory as per the Notification of the Department of Labor Protection and Welfare. There must be, "1 room for medical treatment with 1 bed, at least 1 nurse and 1 1st class physician that must be occasionally in attendance for a factory with more than 200 workers."

Plan Of Action: Factory is required to check the article and take action to line up the local legal requirements.

Deadline Date:

Supplier CAP: 1) Factory found a qualified company (United Power Line) to pick up the empty chemical containers.

2) (A) Factory started keeping an accident investigation report and a work-related illness report since March of 2012. (B) The new safety officer applied for permission last May, and she got the permission on March 5th, 2012. (C) The work safety proceeding and the work performance of the safety officer will be provided in June and December.

3) Factory signed a contract with a nearby hospital to provide medical treatment.

Supplier CAP Date:



Action Taken: Update on March 18, 2013:

- 1) It was verified that the factory made a contract with United Power Line for the disposal of the chemical containers.
- 2) Factory submitted meeting minutes to show that their safety committees hold meetings regularly.
- 3) According to local law, the factory should sign a contract with the hospital or clinic that can provide emergency 24-hour medical treatment, and the distance between the hospital and the factory should be less than 5 km. Uploaded document has been sent to FLA for review. A registered nurse shall be present at the factory all day until 16:30 pm every working day.

Plan Complete: Yes

Plan Complete Date: 03/29/2012

Health and Safety: Written Health and Safety Policy

H&S.3 Employers are required to develop, maintain and regularly review a written health and safety policy. The policy must, at the very least, be aimed at complying with legal minimum safety and health standards, regulations and procedures. (P)

Noncompliance

Explanation: The factory does not have a clear set of health and safety procedures and practices, or a policy that involves the roles and responsibilities of all employees and is signed by the top management. The only documentation on health and safety procedures are records of safety training and evacuation drills.

Plan Of Action: The factory is required to establish health and safety procedures that cover all the potential risks within the factory facilities and educate the workers.

Deadline Date:

Supplier CAP: The factory has created work safety proceeding reports concerning fire control, machine maintenance, chemical store management, lifting equipment and electricity.

Supplier CAP

Date:

Action Taken: Update on March 18, 2013: documents were reviewed during the follow up visit. Photo of chemical storage sent to FLA for review.

Plan Complete: Yes

Plan Complete Date: 03/24/2012

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: There is not a sufficient number of fire extinguishers in the warehouse area as per ministry regulations. However, there are sprinklers located throughout the area.

Plan Of Action: Factory should install sufficient extinguishers as per ministry regulations.

Deadline Date:

Supplier CAP: The factory purchased 3 additional fire extinguishers and placed them in the warehouse in order to meet the regulations every twenty meters.

Supplier CAP

Date:

Action Taken: Update on March 8, 2012: It was verified that 3 new extinguishers were installed in the warehouse during the follow-up visit.

Plan Yes
Complete:

Plan 01/10/2012
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: Those using paints and chemicals were not using the appropriate PPE (they were using cloth masks only). Many workers were not using gloves when using toluene and solvent-based chemicals.

Plan Of Action: The workers that work with paints and chemicals are requested to wear the appropriate PPE based on MSDS requirements.

Deadline Date:

Supplier CAP: Masks and gloves were given to workers who work with paints and chemicals, and supervisors make sure workers are wearing their PPE before beginning duty.

Supplier CAP Date:

Action Taken: Update on March 8, 2012: This was verified during a follow-up visit. Photos of worker wearing PPE have been sent to FLA for review.

Plan Yes
Complete:

Plan 02/20/2012
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: The factory does not have an emergency eye washbasin installed in the factory (despite the presence of hazardous chemicals). An MSDS is not posted where chemicals are stored. The factory does not have complete information on all chemicals onsite (specifically, they do not have information on a particular type of paint which is used at many workstations). This is in violation of the Notification of the Ministry of Interior.

Legal Reference: Form SO.1: statement of occupied hazardous chemicals in place of operation.

Plan Of Action: Factory is required to install an eye washbasin, collect the MSDS from the chemical suppliers and post the MSDS in the storage and operation areas.

Deadline Date:

Supplier CAP: 1) Emergency eye washbasins had been installed in the packing and preparation area.
2) MSDS have been posted where chemicals are stored and operated.

Supplier CAP Date:

Action Taken: Update on March 18, 2013: It was verified that 2 eye washbasins were installed in the packing and preparation sections, and MSDS were well posted for all chemicals. Photo of chemicals with the MSDS has been sent to FLA for review.

Plan Complete: Yes

Plan Complete Date: 03/24/2012

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: Payroll shows that the regular plus OT hours exceeds 60 hours per week (average of 68 hours in all departments. In March 2011 and in November, some sewing lines worked as much as 68 hours in a week.)

Plan Of Action: The factory is required to reduce the working hours to meet FLA workplace conduct standards.

Deadline Date:

Supplier CAP: The factory controls the working hours so that they do not exceed 60 hours per week in the low season, but it's hard to maintain 60 hours a week during the peak season from May to October.

Supplier CAP Date:

Action Taken: Update on March 18, 2013: The review of the time records revealed that the factory controls the working hours so that they do not exceed 68 hours per week (8 hours plus 4 hours OT on weekdays, 8 hours on Saturday). It is a challenge for the factory management to reduce the working hours so that they are below 68 hours, as overtime compensation is an important income for the workers and the workers may prefer to leave the factory if the number of OT hours and the related compensation is below a certain limit. Even though the regular wage at the factory is 320THB per day, which is above the minimum wage of 300THB, workers still heavily depend on the OT wages. Therefore, if the OT hours are reduced further, workers may prefer to seek employment at factories near TWT that operate overtime 5 days per week during the peak season.

Plan Complete: No

Plan Complete Date: