

<b>FLA Audit Profile</b>	
Country	Thailand
Factory name	0100745441
ICS	Conna Institute Asia
Demolition facility	November 9-10, 2006
PC(1)	Article 56
Number of workers	1235
Product(s)	Track Suits, Woven Suits, Jogging Suits, Sweatshirts, Jackets, Running Suits, Track Pants
Production processes	Cutting, Sewing, Printing, Embroidery, Inspection, Pressing, Packing

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	EM Findings										Remediation										
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (uncomorbated)	If not corroborated, explain why	Sources/Documents on used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit Findings (Optional)	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (January 9, 2007)	Documentation	Completed: Pending: Ongoing	Updates (Cite Date of Follow up)	Completed: Pending: Ongoing	Third-Party Verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation		
<b>3. Code Remediation</b> Awareness of Code		<b>FLA Principle of Monitoring, Obligation of Companies.</b> 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 language spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.		No training on code of conduct awareness was found. We caused to some workers do not aware of the importance of factory or brand's standards. However, brand's COC is posted in the public area which easily access.		Workers' interview: training record reviews.		The factory needs to ensure a clear communication for workers on rights and benefits.		Build the Code of Conduct Training into the yearly training plan.	By 31st January, factory needs to submit the revised training plans which include Code of Conduct Training.	Factory will provide Training documents to PC once it is completed by the end of January 2006.	Yearly Training Plan	Ongoing	The factory will provide Ongoing training on Code of Conduct to the workers. There are still more training required to ensure that workers understand the purpose of Open Letter which has been communicated to the supplier since early 2007.	Yearly Training Plan	Ongoing						
<b>4. General Labor</b> Recruitment Contracts		There can be no any use of forced labor, indentured labor, bonded labor or otherwise.  There can be no employment terms (including contracts, recruitment arrangements, or any other instruments) which specify that employees can be confined or be subjected to restrictions on freedom of movement, allow employers to hold wages already earned, provide for penalties resulting in paying back wages already earned, or, in any way, prevent workers for terminating employment. It is acceptable to provide bonuses to workers who stay for a term of contract and meet reasonable conditions, such as regular attendance, punctuality, good quality, etc.		Some worker(s) informed that the employment contract has not been copied to the workers as the reference document.	Employment contract revealed that it was copied to all workers since they applied the job. The employment contract is included in the application form.	Workers' interview			As part of Employment signed process, workers will be given a copy of employment contract.	3/1/2007		Worker interview, personnel file review.	Ongoing	No finding, factory continues to provide a copy of employment contracts to the workers.	Document review, worker interview.	Completed							
<b>5. Child Labor</b> No person will be employed as an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																							
<b>6. Discrimination or Abuse</b> Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.  No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																							
<b>7. Hiring Discrimination Practices</b>		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to the provision. They include hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement.		The application form contains questions about race and nationality which may lead to discriminatory practices.	No any worker claimed they were discriminated by race, nationality, sex and religion.	Application form, workers' and HR officer interview			The factory has agreed to ask the question and conduct a survey for the preferred foot-type after workers are employed and prior to setting up the New Year's Party.		1) Factory will revise the form. 2) Factory needs to ask questions about workers' religion to determine New Year Party, etc. Any non-work related questions will be asked to workers once they have been trained.		New application form.	Ongoing	The factory has started implementing the new application form since the beginning of this year. Worker interview did not indicate any sign of discrimination. However, there is a Noncompliance on the app specification in Job Description for some positions such as health driver and warehouse workers. The factory has agreed to revise those job-descriptions and ensure there is no discrimination.	Application form, worker interview, Job-description form.	Ongoing						
<b>8. Safety and Health</b> Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.																							
<b>Evacuation Procedures</b>		According to the Notification of Ministry of Interior Fire Safety Chapter 2 Section 11: Door leading to the escape route shall have the following: (1) Installed at spot where it is clearly seen and without obstruction (2) Can be opened both ways and self-closing (3) Shall not be sliding door, rolled-up door or swinging door. (4) Width of staircase door shall not be less than width of door. (5) Door to stairs shall not be opened at stairs with rest of stairs not less than width of door at every spot door is opened. (6) Door opens to outside of building shall be type which is open to outside. It shall not be inward, top or outward from outside building during time employees are working.		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, practical drills, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained to proper safety, first aid, and evacuation procedures.	It was observed that one emergency exit in first floor of building "name" was blocked during the working hours.	Visual inspection			1) The blockage has been removed. 2) Arrows and visual displays have been added to inform workers to not block any Safety signs in the factory floor. 3) Safety Officer has been appointed to conduct daily inspection around the factory. 4) Supervisor has been issued the safety issues and provide a checklist to conduct workplace assessment each morning and after the break.	1/6/2007	Factory has conducted the training.	Completed	Meeting minutes and worker interview.	Completed	SEA observed that there is no obstruction of the fire exit in general. There are two safety officers who continue to conduct daily inspections. The Safety check list which is designed by the factory is being used.	Factory walk-through, Document review.	Completed						

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					Evidence of Noncompliance (un corroborated)	If not corroborated, explain why	Sources/Documents used for corroborating	Notable Features Implemented by Factory Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Factory Response (Optional)		Company follow up (January 9, 2007)	Documentation		Completed/ Pending/ Ongoing	Company Follow up (BEA team update from visit July/16, 2007)	Documentation	Completed/ Pending/ Ongoing	External Verification (Date)
Other	The Ministry of Labor and Social Welfare RE Occupational Safety of Employees, Chapter 4 Section 14. The employer with more than fifty employees at the place of undertaking, shall appoint at least one occupational safety officer at professional level to work full time on safety with one hundred and eighty days from the date of coming into force of this notification or with one hundred and eighty days from the date of heavy fly employee upsets.		The safety officer at the professional level did not work her duty for full time work since she is an Export Manager and also appointed to a safety officer in the same time.			Safety officer interview and documents review		Internal finding indicated that factory has appointed full-time safety officer that complies with PC requirements. Safety Officer has been attending trainings organized by PC as part of Safety Officer Registration process which is required by PC's Health and Safety guidelines.			Announcement of the full-time safety officer has been done by the GM.		Company Announcement on 09/30/2006.	Completed	No further finding. Safety Officer is still working full-time. Most recent BEA also revealed that the factory is going to appoint another Safety Officer by sending him to obtain certification from the local university in order to start workload with the current safety officer.	Management interview, Document review	Completed				
Other	The Notification of the Ministry of Interior RE Committee on Occupational Safety, Health and Working Environment Chapter 1, Clause 7		The ratio of employer and worker's representative of Occupation Health and Safety Committee is not match and comply as the legal ratio.			Occupation Health and Safety documents review						The factory has announced the new set of Occupational Health and Safety Committee on 11/05/2006. Total number of the Committee is comply with Thai Law.	Company Announcement on 11/05/2006.	Completed							
<b>2. Freedom of Association and Collective Bargaining</b>																					
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																					
<b>2.1. Rights and Benefits</b>																					
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a minimum, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.																					
Payment of Legal Benefits	According to Labor Protection Act B.E. 2541 (A.D. 1998), Chapter 2, section 52, states that the employer shall be entitled to take sick leave for each day, as the employee is actually ill. Sick leave is taken for 3 or more working days, the employer may require that the employee produce a medical certificate from a first class physician or from a government clinic.	Legally mandated benefits will be provided or paid in full within legally defined time periods.	If the workers have no medical certificate then they are requested to use the annual leave substituted by per day wage.	Some workers requested to submit a medical certificate when taking sick leave for more than 12 days. And leave records reviewed.	Factory policy stated worker has to submit medical certificate when taking sick leave for more than 12 days. And leave records reviewed.	Workers interviewed and leave records reviewed.		PC conducted internal audit and cross checked with workers interview. It was found that Leave Policy complied with Labor Law while workers are required to provide Medical Certificate if take more than 3 days leave. EM finding could come from misunderstanding between supervisor and workers because supervisor may have indicated wrong information to workers.			The factory has conducted a training on Leave Policy to all the supervisors in December 2006 in order to indicate that all the workers are not required to submit the medical certificate if they do not take more than three days leave.	Minute of meeting and training information provided to the supervisors.	Completed/ Ongoing/ Training is required.	No further finding.	Document review	Completed					
<b>2.2. Hours of Work</b>																					
Except in extraordinary business circumstances, employees will (a) 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 (c) be entitled to at least one day off in every seven day period.																					
Overtime Limitations		Except in extraordinary business circumstances, employees will (a) 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 (c) 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.	Some workers worked OT in excess of 12 hours a week. Details as following: -Jan 2006, 1 of 25 selected workers. OT exceeds 12 hr/week. -Feb 2006, 1 of 25 selected workers. OT exceeds 12 hr/week. -Mar 2006, 4 of 25 selected workers. OT exceeds 12 hr/week. -Apr 2006, 5 of 25 selected workers. OT exceeds 12 hr/week. -May 2006, 7 of 25 selected workers. OT exceeds 12 hr/week. -June 2006, 7 of 25 selected workers. OT exceeds 12 hr/week. -July 2006, 14 of 25 selected workers. OT exceeds 12 hr/week. -Aug 2006, 13 of 25 selected workers. OT exceeds 12 hr/week. -Sept 2006, 2 of 25 selected workers. OT exceeds 12 hr/week. -Oct 2006, 11 of 25 selected workers. OT exceeds 12 hr/week. These workers worked in Cutting, Sewing, Finishing, General, Stone and Sample.			Workers' interview, time records and payroll records review.	Policy on OT. Most had total 12 hours per week. OT is controlled by Production Department.	PC has reviewed working hours recorded in the most recent three months. The record indicated that factory is now in comply with the 60 hours per week requirement.			The factory has now implemented the 60 hours per week and complies with PC standard.	Working Hours records, Payroll records and Production records.	Completed	The factory was working within 60 hours per week limit according to the most recent audit. There is an average 1.5 hours or 2 hours overtime per day.	Worker interview, Document review	Completed					
<b>2.3. Overtime Compensation</b>																					
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																					
OT Compensation		The factory shall comply with applicable law for premium rates for overtime compensation.	These workers worked in Cutting, Sewing, Finishing, General, Stone and Sample.			HR officer interview, payroll records review					1) Factory has a policy to comply with this requirement starting from January 2007. 2) The new calculation system will not take into account the overtime workers earn each day. This is to follow the industry practice as well as ensuring that calculation method is view with Social Security Policy.	The factory has started the implementation of the new calculation system in January 2007.	Payroll review, Social Insurance Copy review.	Completed							
<b>2.4. Overtime</b>																					