

## FLA Audit Profile

Factory Code	610074143H
Country	Thailand
FLA Affiliate	Nice Apparel
Monitor	Global Standards
Audit Date	July 27-28,2009
Products	Sport tops and bottoms
Processes	Cutting, Sewing, Finishing
Number of Workers	804



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## Miscellaneous: A. 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.

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** Workers are not familiar with the Code standards. The factory has not made a sufficient effort to internalize the code of conduct or communicate it to workers.

**Plan Of Action:** Communicate the Workplace Standards/Code standards in the workplace.

**Deadline Date:** 11/15/2009

**Supplier CAP:** 1. Post the Workplace Standards on information boards.  
2. Subject the Workplace standards in orientation program

**Supplier CAP Date:** 11/15/2009

**Action Taken:** 1. The factory posted the workplace standards onto all of information boards.  
2. HR subjected the workplace standards into orientation program for new workers. 3. HR set up the HR Mass Communication to communicate compliance events into workplace.

**Plan Complete:**  
**Plan Complete Date:**  
**Action Verified:**  
**Action Verified Text:**  
**Action Verified Date:**  
**Comments:**  
**Confidential Comments:**

## Miscellaneous: A. 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.

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External	Global Standards	Noncompliance

Monitoring

**Explanation:** Grievance box procedures were not properly conducted or communicated properly to workers. Currently, senior management manage portion of this process from a distance (2 hours drive). This interferes with the system.

**Plan Of Action:** Review the grievance procedure to revise the implementation step.

**Deadline Date:** 08/01/2009

**Supplier CAP:** 1. Revise the grievance box procedure.  
2. Set up charged persons.  
3. Set up the communication method.

**Supplier CAP Date:** 08/01/2009

**Action Taken:** The factory set up :  
- 1. The Grievance box opening ; - Charged persons : The representatives of Welfare Committee and HR Manager - Opening frequency : twice a month  
2. The grievance event investigation and decision making ;  
- Severe issues will handle by Committee - General issues will handle by Management  
3. The grievance event communication  
- Confidential for severe issues - Set as an agenda in Welfare Committee Meeting  
- Mass communication for some general issues  
4. The grievance event record - Record in format and keep in HR Department

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

## Health and Safety: E. Health and Safety Management System

H&S.5 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which employers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns and procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** No special medical testing for workers using chemicals. No health examination reports for employee who work with harmful chemical (Form SO. 4), Notification of Ministry of Interior (RE: Working safety relating to harmful chemicals).

**Plan Of Action:** - Set up the special medical testing, special groups and provide the testing - Monitor the result of special medical testing and take corrective action (if any)

**Deadline Date:** 10/15/2009

**Supplier CAP:** 1. Set up the special medical testing 2. Define the special group of employees and put their names on a list. 3. Communicate the testing to all of workers in special group 4. Provide the special medical testing 5. Monitor the special medical testing result

**Supplier CAP Date:** 10/15/2009

**Action Taken:** 1. Safety officer had defined the special group for special medical testing. - Maintenance Operators - QC/QA Operators - Spot cleaning operator (use solvent T-9)  
 2. Safety Officer had provided the meeting/training to all of the workers in special group.  
 3. Factory had provided the special medical testing on Oct 10 2009, by PROLAB Health Checking Center.  
 4. Safety Officer had checked/monitored the test result and found that all result is "NORMAL"

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

## Health and Safety: I. Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** 1) Fire emergency plan not clearly visible. No "you are here" markings, no directional arrows for evacuation in each section. 2) Exit arrows worn out, missing in many areas, painted aisles do not follow production. One exit door (B Sewing Section) locked during OT break. 3) Aisles blocked with various materials and machines. 4) The designated staff do not appear to understand the purpose of the evacuation plan or the necessity to communicate it to workers. Notification of Ministry of Interior, Re: Working safety relating to protection and prevention of fire for employees, Chapter 1: General, clause 4.

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**Plan Of Action:** Review the fire protection & evacuation system and provide the training to all concerned.

**Deadline Date:** 10/31/2009

**Supplier CAP:** 1. Revise the fire emergency plan.  
2. Survey and repair all exit arrows / evacuation ways.  
3. Set up the layout audit by CR Section (Safety Officer; by monthly frequency).  
4. Refresh training about fire evacuation plan.

**Supplier CAP Date:** 10/31/2009

**Action Taken:** 1. Safety officer had revised the fire emergency plan by adding ; - add the "you are here" markings - add directional arrows for evacuation in all sections  
2. Maintenance Division had repaired all of exit arrows / evacuation ways.  
3. CR section / Safety officer had set up the layout audit together with the safety audit. 4  
. Factory provided the training about fire protection & evacuation system; - HR Director had provided the training to Safety Officer (refresh training) - Safety Officer had provided the training to all Leaders, Supervisor and up. - Safety Officer had provided the communication to all workers by "HR Mass Communication"

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

**Health and Safety: J. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** 1) First Aid Boxes have items which were missing (ex. tourniquet, gauze/no usage records maintained). Notification of Ministry of Interior, Re: Prescribing welfare in connection with the health and sanitation of employee, clause 2, 23 basic first aid equipment/ pharmaceutical supplies for ten or more employee-workplace.  
2) There was no general training in fire fighting conducted in the last year. Notification of Ministry of Interior, Re: Working safety relating to protection and prevention of fire for employees, Chapter 3: Fire fighting.

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**Plan Of Action:** Review the first aid box system and provide the basic fire fighting training

**Deadline Date:** 10/31/2009

**Supplier CAP:** 1. First Aid Boxes - Added elastic and bandages for blood stopping in first aid boxes. - Train the responsible persons about first aid boxes handle and records. - Check stock of equipments / pharmaceutical in first aid boxes by weekly.  
2. Provide fire fighting training

**Supplier CAP Date:** 10/31/2009

**Action Taken:** 1. First Aid Boxes - Factory had supplied the elastic / Bandage for blood stopping in all first aid boxes - Safety Officer had provide the training to all of responsible persons  
2. Factory had provided the basic fire fighting training to the worker (40% of total worker)

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

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## Health and Safety: M. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** 1) Some containers (spray cans) were not labeled in Thai.  
2) Incomplete MSDS for chemicals at the spot lifting station.  
3) Improper transfer of chemicals. Workers were found eating their lunch at spray station. Lack of a proper chemical management program in place. Notification of Ministry of Interior (Re: working safety relating to harmful chemicals). Chapter 1, work in relating to harmful chemicals.

**Plan Of Action:** Review the chemicals and hazardous substances management system

**Deadline Date:** 10/31/2009

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**Supplier CAP:** 1. Review and correct the chemicals and hazardous substances labels  
2. Provide MSDS of Solvent T-9 at spot lifting station  
3. Provide the training about Solvent T-9 usage to the worker (spot lifting station)  
4. Provide the visual sign/label (EATING PROHIBITED) at spot lifting station 5. Communicate about "EATING PROHIBITED AREA" into workplace by HR mass communication

**Supplier CAP Date:** 10/31/2009

**Action Taken:** 1. Safety Officer attached a "Thai language" label onto spray cans  
2. Safety Officer posted the complete MSDS of solvent T-9 at spot lifting station  
3. Safety Officer provided the training to all of workers (2 persons) at spot lifting station - Usage - Transfer - First aid  
4. Safety Officer posted the visual sign/label (EATING PROHIBITED) at spot lifting station 5. Safety Officer communicated about "EATING PROHIBITED AREA" into workplace by HR mass communication

**Plan Complete:**  
**Plan Complete Date:**  
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**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
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** MSDS not available for some chemicals. Notification of Ministry of Interior (Re: working safety relating to harmful chemicals) Chapter 1, work in relating to harmful chemicals.

**Plan Of Action:** Review the chemicals and hazardous substances management system

**Deadline Date:** 10/15/2009

**Supplier CAP:** 1. Check list all of chemicals used in factory 2. Contact to the vendor/supplier to support MSDS 3. Post the MSDS for both at storage area and using area

**Supplier CAP Date:** 10/15/2009

**Action Taken:** 1. The Safety Officer provided the checklist of chemical used  
2. The Safety Officer contacted to all vendors/suppliers and already got all MSDS  
3. The Safety Officer posted MSDS at all chemical storage & using areas

**Plan Complete:**  
**Plan Complete Date:**  
**Action Verified:**  
**Action Verified Text:**  
**Action Verified Date:**  
**Comments:**  
**Confidential Comments:**

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## Health and Safety: ZC. Other - Health and Safety

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** The factory has not conducted environment testing in 2008-2009. Notification of Ministry of Interior, Re: working safety with respect to environmental condition.

**Plan Of Action:** Contact the government safety Center to track the environment test report

**Deadline Date:** 08/05/2009

**Supplier CAP:** Contact the Safety Center to track the result of the test report

**Supplier CAP Date:** 08/05/2009

**Action Taken:** 1. Safety Center conducted environmental test on July 15, 2009 and the report was established on July 15, 2009  
2. The factory received the report on August 5, 2009.

**Plan Complete:**  
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## Working Hours/Overtime: J. Overtime/Calculation Over Period Longer Than One Week

HOW.10. Employers are allowed to calculate normal hours of work as an average over a period of longer than one week where local laws, regulations and procedures provide for such a possibility but only when all formal and procedural requirements attached to such calculation (for instance, obtaining official permission from the relevant authorities or limits to the period during which such calculations can be made) are met. The basis for such calculation shall, however, remain at all times the lesser of 48 hours per week or legal limits on hours of work in the country of manufacture or, where such legal limits do not exist, the regular work week in such country. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
07/27/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

**Explanation:** Workers worked in excess of code limits in 3 consecutive weeks (72-76 hours per week). The factory needs to re-evaluate production planning and related staffing procedures.

**Plan Of Action:** Set up and promote the working hour control policy

**Deadline Date:** 08/10/2009

**Supplier CAP:** 1. Set up the proactive warning report about working hour to Production Director/Factory Manager/Division Manager  
2. Promote the Working hour Control Policy

**Supplier CAP Date:** 08/10/2009

**Action Taken:** 1. The factory set up the proactive warning report about working hour and report to Production Director/Factory Manager/Division Manager  
- Report the risk persons(risk to work over than 60 hrs./week) to Production Director/Factory Manager/Division Manager in order to manage the working hour of them (data as of every Wednesday and Friday >> report will issue within the end of Thursday/ Saturday)  
- Report by monthly to Production Director/Factory Manager/Division Manager in order to manage the working hour for the next month.

2. The factory promoted the working hour policy into workplace ;  
- No OT on Wednesday & Saturday  
- As of Wednesday (3 days) "Normal working hours to be less than or equal to 24 hrs., OT less than or equal to 24 hrs. Total working hours to be than or equal to 24 to 30 hrs. "  
- As of Friday (5 days) "Normal Wk hr less than or equal to 24 - 40 hrs. OT will be less than or equal to 24 hrs  
12 hrs of total working hours less than or equal to 24 hrs - 52 hrs"

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

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**Comments:**

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