

FLA Audit Profile	
Country	Thailand
Factory name	09027443C
IEM	Kenan Institute Asia (Kenan) & BVCPS (Thailand)
Date of audit	July 5-6, 2004
Days in the facility	2 days
PC(s)	Patagonia; Cutter & Buck
Number of workers	1500
Product(s)	Apparel: Men's Shirts
Production processes	Cutting, Sewing, QC, Packing

Findings						Remediation				
FLA Code/Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Remediation Plan	Target Completion Date	Factory Response (Optional)	Company Follow Up (Cite Date of Follow Up)	Documentation
<b>1. Code Awareness</b>										
Code posting/information		<b>FLA Principle of Monitoring, Obligation of Companies:</b> Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	Nil		Factory was certified in SA8000 program by SGS, and TLS 8001 by the Labor department					
Confidential non-compliance reporting channel		<b>FLA Principle of Monitoring, Obligation of Companies:</b> 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.	Based on the workers testimony, it was stated that they did not know who would take a message from the suggestion box and who would take responsibility for their grievance.	Workers interviews		Confirm who is responsible for receiving employee communications on noncompliances and grievances and how they are handled. How do you insure that employees are not punished?	10/15/04		3/23/2006	Interview-Suggestion box and SA8000 committee
<b>2. Forced Labor</b>										
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise			Workers worked in the factory on their own free will according to the workers interviews							
<b>3. Child Labor</b>										
No person will be employed at 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.			Factory only accepted workers who are 18 years old and above.							
<b>4. Harassment 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.			Nil							
<b>5. Nondiscrimination</b>										
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.										
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this 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	One job announcement for apprenticeship was specific about age of applicants being between 18-27 years old, and those apprentice workers will become an employee after 2 weeks of apprenticeship.	Job advertisement documentation reviews		Remove all age specifications from job announcements.	10/1/04		3/23/2006	Age indication was removed from announcement in 2004

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Pregnancy Testing		Employers will not use pregnancy tests or the use of contraception as a condition of hiring or of continued employment. Employers will not require pregnancy testing of female employees, except as required by national law.	A note regarding physical appearance of applicants is made on the worker application form, the applicant's physical appearance is noted on the document and also the factory requires a urine and math test as well as an eye check up.	Application form reviews		Please report the purpose of the urine test	10/1/2004		3/23/2006	Urine test was a former requirement of Thai Labor for a drug free program. It was only practiced until [the factory] became certified drug free.
<b>6. Health and Safety</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										
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws			The factory provided a drinking cap for the workers which is only used one time to prevent any infection that may occur.					
PPE	According to The Notification of Ministry of Interior Machinery Safety Chapter 1 Section 2: The employer shall have the employees, working with machinery, to wear helmets, gloves, goggles, masks, ear plugs, rubber shoes or gears for the personal protection of other parts according to the condition and nature of the work performed and it shall be observed as the work performance rules of the operation premises throughout the time of performance of work by the employees.	Workers shall wear appropriate 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 hazardous elements including medical waste.	The workers who work with bend knives are only provided one mesh-steel glove.	Visual inspection		Provide 2 gloves for workers that operate band knives. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/1/04		3/23/2006	Gloves are provided
Safety Equipment	According to the Notification of the Ministerial Regulation Occupation Health Welfare Section. 2 (1): A working place having ten or more employees shall be provided with first-aid equipment as follow: rubber tourniquet; a pair of scissors; cotton wool, swabs, bandage and adhesive tapes; measuring vessel for medicine; eye cup; medicine dropper; wayer glass medicine applicator; safety pin; forceps; thermometer; mercurochrome, acriflavin or tincture of iodine; ethyl alcohol, 70% pure; medicine for burns and scalds; boric acid solution eye wash; aromatic Sprit of Ammonia; headache and fever remedy; tincture opium camphor; misc. bismuth and soda; misc. stomachic; medicine for dysentery; bicarbonate of soda; and White petroleum jelly.	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Most of the first aid kits have insufficient medical supplies and some were empty.	Visual inspection		Inspect and fill all first aid kits. Also, ensure first aid kits are checked and filled weekly. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/1/04			

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Machinery Maintenance	According to the Notification of Ministry of Interior Machinery Safety Chapter 1 Section 5(8): The machine which transmits its energy by means of shaft, belt, pulley, and flywheel shall have a steel colander for the complete covering of the moving and power transmission past is higher than two meters it shall have steel colander or fence by not less than two meters to surround it completely	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Some sewing machines were not equipped the lower pulley guards.	Visual inspection		Make sure all sewing machines have pulley guards. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/15/2004			
Machinery Maintenance	According to the Notification of Ministry of Industrial Issue 4 (BE.2514) Chapter 12 Section 3: Employer has to provide the strong protective equipment to any moving parts of machine which may cause the danger during operating the machine. Such equipment has to be equipped or installed on the machine without removing it in any case.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Some sewing machines did not have needle guards.	Visual inspection		Make sure all sewing machines have needle guards. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/15/04			
Machinery Maintenance	According to the Notification of Ministry of Industrial Issue 4 (BE.2514) Chapter 12 Section 3: Employer has to provide the strong protective equipment to any moving parts of machine which may cause the danger during operating the machine. Such equipment has to be equipped or installed on the machine without removing it in any case.	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Some sewing machines did not have a Plexiglas shield installed.	Visual inspection		Install Plexiglas shields on all sewing machines. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/15/04			
Evacuation Procedure	According to the Notification of Ministry of Interior Fire Safety Chapter 3 Section 19: The employer shall proceed as following concerning the fire extinguishers;- (1) Install fire extinguishing equipment where it is clearly seen and can be taken out for use with ease.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Some fire extinguishers were blocked by production.	Visual inspection		Make sure all fire extinguishers are not blocked. Insure that all supervisors and building maintenance employees monitor this daily to keep extinguishers unblocked at all times.	10/1/04			
Evacuation Procedure	According to The Notification of Ministry of Interior Re: Working safety Relating to Protection of Fire for Employees, Chapter 2 Section 13: The employer shall provided fire escape routs which is not obstructed from the spot the employees are working to the spot of safety.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Aisle space was narrow and blocked by production at building X	Visual inspection		Make sure all aisle ways are clear and remain clear at all times. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/1/04			
Evacuation Procedure	According to The Notification of Ministry of Interior Re: Working safety Relating to Protection of Fire for Employees, Chapter 2 Section 13: The employer shall provided fire escape routs which is not obstructed from the spot the employees are working to the spot of safety.	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	One emergency exit on the 2nd floor of building X was blocked by old sewing machines.	Visual inspection		Keep all emergency exits unblocked at all times. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/1/04			

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Fire Safety Health and Safety legal compliance		Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	No yellow box marked in front of fire extinguishers.	Visual inspection		Mark all fire extinguisher locations with a box on floor of yellow tape or paint. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/1/04			
Fire Safety Health and Safety legal compliance	According to The Notification of Ministry of Industrial Issue 4 BE. 2514 Chapter 12 Section 34: indicated that the switchboard, transformer, capacitor, battery up to 150 voltage that did not install in the specific room. It shall be fenced to avoid the person who was not concerning with this to get close that area	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	No fence and yellow box at the electric control panel area.	Visual inspection		Electric Panel must be enclosed with a protective fence and marked.	10/15/04			
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	No secondary containment provided for chemical containers.	Visual inspection		Provide secondary containment for chemical containers. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/15/04			
Chemical Management	According to The Notification of Ministry of Interior Chemical Safety Chapter 1 Section 4: The employer shall not transport, store, move or bring n harmful chemical into the place of operation until he shall provide suitable large chemical to be stuck at all packages, containers or wrappers of harmful chemical. The label shall at least have the following details: 1)Symbol indicating harm and the word "harmful chemical" or "Poisonous substance" or other words showing harm according to the type of that harmful chemical, in red or black writing larger than other words, which can be seen clearly.	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	No MSDS for the oil spot cleaning agent that is maintained on site.	Visual inspection		Create and maintain on site a MSDS for the oil spot cleaning agent. Clarify who is responsible for Health and Safety review at the factory - Recommendation: Charge either staff member of H&S committee with responsibility for weekly H&S review	10/15/04			
	2) Chemical name or scientific name of harmful chemical. 3) Quantity and composition of harmful chemical. 4) Harm and poisonous condition of harmful chemical. 5)Warning about method of storage, use, moving harmful chemical and method of packaging, container or wrapper of harmful chemical with safety. This is to be with the essence in summary according to the criteria and method prescribed by the Director-General under Clause 3. 6) Method of first aid treatment when there is symptom or illness due to harmful chemical, and advice to send the patient to the medical officer. For details under 4), 5) and 6) they may be printed as insertion in the container. The label and insertion shall be in Thai, except for the details under 2) and 3) which may be in English.									

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	The Ministry of Interior CE.1991Toilet and First Aid Safety Chapter.2, Section 1, indicated that a factory having more than 1,000 employees has to arrange as follows: a) Medical treatment room with 2 beds and enough contents of first aid. b) 2 regular nurses. c) One regular doctor during working hour at least 2 hours per time. d) Vehicle for emergency case.		There is one nurse on duty however, according to legal requirements, a factory that has more than 1,000 employees should arrange 2 nurses during regular working hours	Visual inspection and contract review		Retain 2 nurses during working hours.	11/1/04			
<b>7. Freedom of Association and Collective Bargaining</b>										
Employers will recognize and respect the right of employees to freedom of association and collective bargaining										
<b>8. Wages and Benefits</b>										
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits										
Accurate recording of wage compensation		All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately	Piece rate workers worked during rest period without being paid.	Visual inspection, payroll reviews and worker interview		Workers should not work through rest periods or lunch breaks. Supervisors must enforce break periods are for rest.	11/1/04			
<b>9. Hours of Work</b>										
Except in extraordinary business circumstances, employees will (i) 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 (ii) be entitled to at least one day off in every seven day period										
Overtime Limitations		Except in extraordinary business circumstances, employees will (i) 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 (ii) 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	Sunday work was reported; the management claimed that those workers are working for a department which is not involved with Patagonia and Cutter& Buck production at building X & X.	Worker interviews					3/23/2006	Normal hours are 48 per week and a maximum Of 60. Under extreme business cases up to 68 hours may be worked and all OT is voluntary. Sundays are not worked except in extreme cases less than 3 times per year.
Legal compliance	According to The Labor Protection Act B.E.2541 Chapter 2 Section 27 During working days, the employer shall let the employee to have a rest period of not shorter than one hour, after the employee has performed work on such day for five consecutive hours. The employer and employee may agree in advance to one rest period lasting less than one hour but the total rest period each day shall not be shorter than one hour per day.  In the case where there is overtime work lasting not less than two hours, after normal working, the employer shall let the employee to have a rest period of not less than twenty minutes before the employee starts to work overtime.		Piece workers worked during their rest period. (early morning: before 8:00 am, lunch break and dining break)	Pay roll reviews, HR, Accountant staff and workers interviews		Workers should not work through rest periods or lunch breaks. Supervisors must enforce break periods are for rest.	11/1/2004			

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<b>10. 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 for Piece	According to the Ministerial Regulation No. 13 B.E. 2543, Issue under labor Protective Act B.E. 2541, Section 2:-"If an employer and employee agree to specify normal working hours under paragraph one of more than eight per day for the employee who does not receive monthly wages, the employer shall pay the wages of a working day for eight hour and shall pay remuneration at the rate of not less than one and a half times of the hourly wages in working day for the work done in excess hours, or of not less than one a half times of the piece rate of wages day for the work done in the excess hours for the employee who receives wages as a piece rate basis. If an employee works on a holiday, an employer shall pay to the employee for eight working hours and pay remuneration of less than three times of the hourly wages in working day for the excess working hour, or of not less than three times of the piece rate of wages in working day for the work done in the excess number of working hours as a piece rate basis."	Where workers are paid on a piece rate, the payment for overtime work performed shall result in no less payment than the premium pay required by law	Piece workers were compensated for overtime at only 0.5 time of the premium piece rate.	Payroll reviews					3/23/2006	All OT is paid at 1.5 times. This process was changed in 2004. Thai law does not require this so no back wages were paid.
<b>Miscellaneous</b>										

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Other	The Labor Protection Act 1998 Chapter 9, section 113. The register of employees' register shall contain at least the following particulars: (1) Name and family name. (2) Sex. (3) Nationality. (4) Date of Birthday. (5) Present address. (6) Date of commencement of employment. (7) Position or duty. (8) Wages or other remuneration which the employer agrees to pay the employees. (9) Date of termination of employees. If it is necessary to change in any particulars of the employees' register, the employer shall amend such register completely within fifteen days from the date of such change or within fifteen days from the date the employee informs the employer of any changes.		Factory did not mention hiring status in workers' contract	Worker's personal file review		Personnel file must clarify the status (hourly or piece rate) of each employee.	11/1/2004			