

FLA Audit Profile	
Country	Thailand
Factory name	36027461D
IEM	Kenan Institute Asia
Date(s) in facility	December 7-8, 2005
PC(s)	MEC, Puma
Workers	1,157
Product(s)	Outdoor Gear & Specialty Products
Production processes	Cutting, Sewing, Screen, Welding, Laser, Ultrasonic Welding

Company Comment: Due to internal restructuring and a desire to consolidate production into an existing facility, MEC ceased sourcing from this facility on April 30, 2012. From 2001 to 2012, MEC conducted internal audits on this facility every 12-18 months. During the 2011 audit, there were very few findings and MEC noted the impressive Health and Safety Committee and personnel (including a Safety Manager, Corporate Responsibility Manager and a Safety Officer) in place. MEC worked with the factory to remediate the 2011 findings. The April 2013 internal audit revealed an increased number of findings due to a decline in workforce, which decreased the factory's capacity to address health and safety issues. The factory was also affected by flooding, national wage increases, as well as delayed payment from other customers and cancelled production orders. MEC will stay in communication with the factory management to address items in the corrective action plan from the April 2013 audit. The factory received the results of this audit on April 24, 2013. Because there are no other FLA affiliates sourcing from this factory, remediation efforts will not continue.

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Remediation					[Status]	Updates (Cite Date of Follow Up)		[Status]	
			Noncompliance	Risk of Noncompliance	Evidence of Noncompliance (Uncorroborated)	If Not Corroborated, Explain Why	Sources, Documentation	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 (June 29, 2006)	Documentation	Completed, Pending, Ongoing	Company Follow Up (November 7, 2006)	Documentation
1. Code Awareness																	
Code Posting/Information	According to Labor Protection Act B.E. 2541 Chapter 9, Section 108 which stated that "An employer shall distribute and affix the work rules in a prominent position in the workplace available employees to know and read."		No factory's regulations posted on a prominent information board in the facility area.	Ni	Ni	Ni	Visual inspection		Factory shall provide briefing to all employees on its rules and regulations and post a copy thereof on the bulletin boards at each section. Factory shall also formulate and implement an orientation program for new workers which shall include the rules and regulations among the topics.	31-Mar-06		Briefing is provided to all employees using the company handbook as guide, a copy of which is also given to every employee. Policies are also posted on bulletin boards. However, the handbook does not include policies on child and young workers, pregnant workers, forced labor and grievance procedures.	Copy of handbook; inspection of bulletin boards; Management interview	Pending	Policies on child and young workers; pregnant workers; non-discrimination, forced labor and grievance procedures not yet formulated.	Copy of handbook; Management interview	Pending
Worker/Management Awareness of Code	Ni	FLA Principle of Monitoring, Obligation of Companies: 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.	Most workers are not aware of factory standards and codes of conduct (COC), although the posting of standards and COC is in a prominent area.	Ni	Ni	Ni	Worker interviews, Visual inspection		Factory shall provide briefing to all employees, including the management staff, on the elements of the code of conduct. Include these topics in the briefing of incoming employees.	31-Mar-06		Employees are briefed on the code of conduct. The code of conduct was among the items enumerated by workers when they were asked about the contents of the briefing.	Worker interviews	Completed			
Access to Facilities			The monitors are not allowed to observe the area where chemicals are used, such as the screen printing area. For this reason it may be possible that the area might have a deficiency issue.	Ni	Visual inspection		There should be no area or section in the factory that will be off limits to auditors (though auditors may not be allowed to take pictures) for inspection to ensure that health and safety concerns are properly addressed.	31-Mar-06		To protect trade secrets, the factory would not allow inspection at "off limits" areas. Based on the situation at other areas where chemicals are used, it may be safe to say that the health and safety concerns are adequately addressed in the "off limits" areas.	Inspection	Completed					
Access to Facilities			Since these areas are prohibited, the monitors are not allowed to access. Therefore, no evidence could be found to prove the factory has maintained good working conditions in these areas.	Ni	Workers complained that the areas on the 2nd floor, building 2 and 3rd floor, building 4 (prohibited areas) are not well ventilated. They are hot since there are heating machines in these areas.	Since these areas are prohibited, the monitors are not allowed to access. Therefore, no evidence could be found to prove the factory has maintained good working condition in these areas.	Worker interviews	There should be no area or section in the factory that will be off limits to auditors (though auditors may not be allowed to take pictures) for inspection to ensure that health and safety concerns are properly addressed.	31-Mar-06		To protect trade secret, the factory would not allow inspection at "off limits" areas. Based on the situation at other areas where chemicals are used, it may be safe to say that the health and safety concerns are adequately addressed in the "off limits" areas.	Inspection	All working areas have generally big and sufficient number of ventilating fans/coolers on the sides/walls. From outside, it can be seen that the "off limits" areas also have these ventilators.	Inspection	Completed		
2. Forced Labor																	
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																	
Freedom of Movement	Ni	If factory entrances are locked or guarded to prevent non-employee access to the premises for security reasons, employees will have free egress at all times.	The store's workers informed that they're provided with a 15-minute rest period twice a day at 10:00am and 2:30pm. Apart from these, they need to have permission from supervisor before leaving the facilities.	Ni	Ni	Ni	Worker interviews		During regular working hours, workers should not be required to ask permission, but only give notice to supervisors when leaving the line to use facilities such as the toilet, drinking water or clinic. No record should be kept for the use of the facilities, except for the medical records to be kept at the clinic. After the regular working hours, workers should be free to leave the premises even without notifying the supervisors if they do not want to work overtime. Supervisors should be briefed about this policy.	31-Mar-06		Permission is required only for early knock off or under time. Workers just have to give notice when leaving the workplace for personal necessity. According to workers, supervisors would not mind if they go to the toilet. = Not verified if supervisors were briefed on this.	Management; Worker interviews	Pending	Interviewed workers mentioned that it was their supervisors who briefed them, after the supervisors were briefed by the HR Department.	Interview	Completed
3. Child Labor																	
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.																	
4. Harassment or Abuse																	
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																	
Freedom of Movement	Ni	Employers will not unreasonably restrain freedom of movement of workers, including movement in canteen, during breaks, using toilets, accessing water, or to access necessary medical attention.	It was observed that when the workers went to the restroom, they needed to record time in and out.	Ni		The workers informed that the factory just used this policy in December 2005. They did not know the reason for the policy as they can still use the restroom as they wish.	Visual inspection, Worker interviews		No remediation necessary. As mentioned in the monitors' findings, the workers confirmed that they can use the toilet as they wish. Management also confirmed that this is not done as a regular practice.		This is not done as a regular practice. We don't have the manpower to record workers' time in going to toilets. This is done only for workers who are noted for malingering as a basis for issuing warning.	Interviewed workers said that they can go to the toilet anytime and their supervisors don't mind it. They just have to notify their supervisors where they are going.	Management; Worker interviews	Completed			

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5. Nondiscrimination																		
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	NI	Employment decisions will be made solely on 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.	The job advertisements specify general ages of workers at 18-35 years old.	NI	NI	NI	Document review			Improve policy and guidelines on non-discrimination to ensure that there is no discrimination as to age, gender, race, etc., and brief all employees about the change in the policy. Advise Personnel Department to remove the age limits in job advertisements.	31-Mar-06		Maximum age limit has been removed in job advertisements but policy on non-discrimination is very general. It needs more details for easy and clear understanding. Revised policy, once completed, must be relayed to all employees and a copy posted at bulletin boards.	Copy of job advertisement and policy	Pending	Policy on non-discrimination not yet revised	Management interview; Copy of policy	Pending
Hiring Discrimination Practices	NI	Employment decisions will be made solely on 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.	A recruitment criterion specifies that male applicants have to submit military certificate.	NI	NI	NI	Document review			Factory must not require job applicants to submit documents other than the usual proof of age or school certificate, when a school certificate is necessary and required to prove an applicant's educational background for the job being applied to.	31-Mar-06		Submission of military training certificate not yet removed from list of recruitment requirements.		Pending	Question about military service is found only on the application form for office staff. Factory explained that this is to ensure continuity of the work, because the work will be disrupted during a 2-year military service. Application form for worker positions does not include such question.	Management interview; Copies of application form	Completed
	NI	Employment decisions will be made solely on 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.	NI	There are 2 documents for handling discipline: 1) Prescribed method for handling discipline has following steps: verbal warning; written warning; deduction of reward or bonus or no allowance to work overtime; suspension; termination. 2) Factory's rules and regulations specify following steps: verbal warning; written warning; suspension; termination.	NI	NI	Document reviews and management interviews			Factory shall apply only the progressive disciplinary penalties that are indicated in its rules and regulations such as: verbal warning; written warning; suspension; termination. Monetary rewards or benefits for good performance or attendance should not be removed or reduced on account of a worker's violation of company rules.	31-Mar-06	Bonus is given per management's discretion and is based on performance. Only workers who have record of defective work are not allowed to work overtime if there are no supervisors to monitor their work in order to control defective work during OT. Generally, workers will not be prevented to work overtime.	Record of disciplinary actions not checked. Needs to be checked in relation to granting of incentives.		Pending	This refers to discretionary bonus only. Other incentives, like the attendance bonus, are not affected by disciplinary actions.	Management interview; Record of disciplinary actions; Payroll	Completed
6. Health and Safety																		
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.																		
Fire Safety: Health and Safety Legal Compliance	The Notification of the Ministry of Interior RE: Working Safety relating to Protection and Prevention of Fire for Employees, Chapter 2, Clause 9	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.	All fire extinguishers are inspected by internal staff only. They need to be inspected semi-annually by an external body as per the legal requirements.	NI	NI	NI	Visual inspection and documents review			Arrange a regular inspection of all fire extinguishers by an outside professional agency in accordance with the legal requirements.	31-Mar-06		No record of inspection of fire extinguishers by an external agency.	Inspection	Pending	Record of inspection by external party is attached to each unit of fire extinguishers.	Inspection	Completed
	The Notification of the Ministry of Interior RE: Working Safety relating to Protection and Prevention of Fire for Employees, Chapter 3, Clause 19 (3)	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.	Inadequate number of workers received training in preliminary fire fighting technique. Only 68 workers were trained, representing less than 40% of all employees in the work place.	NI	NI	NI	Documents review			Factory shall conduct a training for all workers on how to use the fire extinguishers after every fire drill.	31-Mar-06		Only 98 persons have been trained on the use of fire extinguishers. Training should done after a fire drill in the presence of all workers. Last fire drill was done on December 27, 2005.	Photos; Training records	Pending	No progress on this.	Interview	Pending
Safety Equipment	NI	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.	1 first aid kit on 3rd floor of Building 4 was discovered. Expired medicines were also found.	NI	NI	NI	Visual inspection			Assign a person responsible for every first aid kit to: a) ensure kit is properly maintained and b) check sufficiency of required contents and expiry dates of medicines.	31-Mar-06		First aid boxes have record of weekly inspection, but some units are not inspected. No scissors in first aid boxes.	Inspection	Pending	New and big first aid cabinets (not just a box with sufficient contents) were installed at the working areas.	Inspection	Completed
Machinery Maintenance	NI	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	No loading limit is posted near all elevators.	NI	NI	NI	Visual inspection			Post loading limit at every elevator. Ensure that permit and other safety/warning signs are also posted there.	31-Mar-06		Load limit (500 kgs) already posted at all elevators. Other signs such as "For Materials Only," "Keep Door Always Closed" and "Don't Block Door" are also posted.	Inspection	Completed			
Safety Equipment	The Notification of Ministry of Industrial No. 2 (B.E. 2513) Clause 8:	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.	The stairs in the production buildings are not equipped with an emergency lighting system.	NI	NI	NI	Visual inspection			Install emergency lights at all stairs. Include all emergency lights in the regular safety inspection. Keep record of the regular inspection.	31-Mar-06		Emergency lights are installed by all stairs but big production areas need additional units at inner/middle portions. Some units are not properly set.	Inspection	Pending	New units were installed in the middle portions of big working areas. All units that were tested were properly set and working.	Inspection	Completed
PPE	The Notification of the Ministry of Interior RE: Working Safety relating to Harmful Chemicals, Chapter 2, Clause 21. The Notification of the Ministry of Interior RE: Working Safety in the Respect to Environmental Condition Chapter 1, Clause 3	Workers shall wear appropriate protective equipment (gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	It was observed that QC workers who used cleaning chemicals (MEK, H-101 solvent) did not wear latex gloves and masks during work.	NI	NI	NI	Visual inspection			Provide the necessary PPE to every worker involved in the handling or use of chemicals. Also, provide training on the importance and proper use of PPE, as well as on the MSDS for the chemicals being used.	31-Mar-06		Workers are provided with proper masks and gloves. Asked why they have to use them, they said that they need to be protected from the danger of chemicals.	Inspection; On-site interview of workers	Completed			
Record Maintenance	The Notification of the Ministry of Interior Re: Safety in Condition with Electricity, Clause 2	All safety and accident reports shall be maintained for at least one year, or longer if required by law.	No annual inspection record of the conditions of the electric wiring available for review.	NI	NI	NI	Record reviews and Safety officer interviews			Secure an annual electrical safety inspection certificate and keep record on file.	31-Mar-06		Annual electrical safety inspection certificate is not available.	Inspection; Management interview	Pending			
	The Notification of Ministry of Labor and Social Welfare Re: Working Safety of employees, clause 16 which stated that "The safety officer at professional level shall compile, analyze data and statistics and prepare report including recommendations relating to injury, illness or disturbance arising out of employment of the employee."	All safety and accident reports shall be maintained for at least one year, or longer if required by law.	No investigation of accident was reported after September 2005.	NI	NI	NI	Documents review and Safety officer interviews			Continue with the practice of investigation of every accident. Investigation report shall include recommendation to prevent recurrence of the accident.	31-Mar-06		Record of accidents are available but with no investigation on the cause of the accident and no suggestion to prevent similar accident from happening again.	Clinic records	Pending	Investigation and preventive portions of accident reports not yet done.	Clinic records	Pending
	NI	All safety and accident reports shall be maintained for at least one year, or longer if required by law.	No inspection records of fire alarm and emergency light were available for review.	NI	NI	NI	Documents review			As mentioned in line 37 above, emergency lights as well as the fire alarm shall be included in the regular inspection. Keep record of inspection.	31-Mar-06		No fire alarm system in one building. No record of inspection of fire alarm and emergency lights.	Inspection	Pending	Building with no fire alarm no longer used. Sewing operations previously done there transferred to unutilized space in main sewing section. Record of inspection of emergency lights is attached to each unit.	Inspection	Completed
Machinery Maintenance	The Notification of Ministry of Industrial Issue 4 (BE:2514) Chapter: 12 Section 3	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	All sewing machines do not have lower pulley guards and needle guards. Some punch hole machines are not equipped with guards.	NI	NI	NI	Visual inspection			Install all the necessary protective devices on sewing machines. Arrange and keep record of regular maintenance schedule of each unit to ensure that the protective devices are intact and are properly used.	31-Mar-06		Installation of necessary protective devices as enumerated is not yet done.	Inspection	Pending	Installation of necessary protective devices as enumerated is not yet done.	Inspection	Pending
Worker Participation	Notification of The Ministry of Labor and Social Welfare Re: Committee on Occupational Safety, Health and Working Environment, Chapter 3, Clause 18 (2)		No report was disclosed for the survey of occupational safety, health and working environment by the Occupational Safety Committee at least once a month in year 2005.	NI	NI	NI	Documents review and Safety officer interviews			Comply with the reporting requirements on health and safety as required by the Ministry of Labor. Keep a copy of the report on file.	31-Mar-06		Preparation of monthly report is not yet observed.	Management interview	Pending	No monthly report yet submitted to the Ministry of Labor.	management interview	Pending
	The Notification of Ministry of Labor and Social Welfare, Re: Safety, Occupational Sanitation and Working Environment, section 15 which stated that "An employer shall meet with the committee of safety, occupational sanitation and working environment at least once a month."		There were no meeting records for November 2005 available to review to demonstrate that a regular meeting of the Committee for Safety, Occupational Sanitation and the Working Environment was conducted at least once a month as required by law.	NI	NI	NI	Documents review and Safety officer interviews			Define clearly the roles and responsibilities of this committee and brief all members of the committee. Among the responsibilities should be to conduct a regular monthly, meeting with minutes of the meeting to be recorded.	31-Mar-06		Not verified if the remediation plan was already implemented.		Pending	Health and Safety Committee holds monthly meetings. Minutes of meetings are up to the month of October 2006.	Minutes of meeting	Ongoing

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Other	Notification of The Ministry of Labor and Social Welfare Re: Committee on Occupational Safety, Health and Working Environment, Chapter 3, Clause18 (2)	Ni	The factory provides only 1 regular nurse and no record of regular doctor during working hours for at least 2 hours per time was revealed. This violates the legal requirement which indicates that a facility having more than 1,000 employees has to arrange the following: a) Medical treatment room with 2 beds and enough contents of first aid, b) 2 regular nurses, c) One regular doctor during working hours for at least 2 hours per time, d) Vehicle for emergency cases.	Ni	Ni	Ni	Ni	Visual inspection and Safety officer, Nurse interview.			Factory shall comply with the legal requirements in providing medical facilities and services. The schedule of the doctor must be fixed and made known to the employees. The clinic shall provide monthly statistics of the accidents and illnesses reported.	31-Mar-06		Factory now has 2 nurses, as it hired another one 2 months ago. A doctor comes 2 times a week for 2 hours each visit, but the schedule is not fixed. (The doctor's schedule should be fixed and announced to all employees.) The record of doctor's visits started on December 9, 2005. There are now 4 beds at clinic but there are no curtains to provide privacy for the patients. There are 2 standby cars (Nos. 71 and 5012) for emergency use.	Interview, Inspection	Pending	Schedule of the doctor's visit has been fixed at 2 hours each visit every Wednesday 10:00am to 12:00pm and every Friday 1:00pm to 3:00pm. Workers are aware of the schedule. Curtains for beds have not yet been installed. Another member of factory team asked about the standby cars for emergency purposes and identified the same cars as mentioned by another officer before.	Interview, Inspection	Completed Pending Completed
	The Notification of Ministry of Labor and Social Welfare Re: Working Safety of employees, clause 10 which stated that "The employer shall arrange for the employee at the level of foreman to receive training as prescribed by the Director-General, and appoint such employee as safety officer at the level of foreman of the workplace within a period of 180 days from the date the Notification comes into force or within 180 days from the date of appointment as foreman."	Ni	Not all foremen are trained and appointed to be safety officers.	Ni	Ni	Ni	Ni	Documents review and Safety officer interviews			Factory shall comply with the safety training required by the Ministry of Labor for all foremen and their appointment as safety officers.	31-Mar-06		No training yet for foremen as safety officers. No report submitted to Ministry of Labor on their appointment as safety officers.	Management interview	Pending	Training as safety officers not yet provided to foremen.	Interview	Pending
	The Notification of Ministry of Labor and Social Welfare, Re: Safety, Occupational Sanitation and Working Environment section 5	Ni	The factory did not submit documentation that showed the appointment of new safety officers at professional level to the local labor department.	Ni	Ni	Ni	Ni	Documents review and Safety officer interviews			See Row 46 above.			No training yet for foremen as safety officers. No report submitted to Ministry of Labor on their appointment as safety officers.	Management interview	Pending	Training as safety officers not yet provided to foremen.	Interview	Pending
	Notification of the Ministry of Interior Re: Working Safety in Respect to Environmental Condition, Chapter 1-3	Ni	There is no report of workplace environment evaluation that measures dust, noise, lighting, and heating since the facility has not commissioned such evaluation.	Ni	Ni	Ni	Ni	Documents review and Safety officer interviews			Factory shall comply with the reporting requirements by the Ministry of Labor on the evaluation of the workplace environment. Copy of the report should be kept on file.	31-Mar-06		Environmental test (noise, dust, light, etc.) is not yet done.	Management interview	Pending	Environmental test (noise, dust, light, etc.) is not yet done.	Management interview	Pending
7. Freedom of Association and Collective Bargaining																			
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																			
8. Wages and Benefits																			
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.																			
Deduction for Services	Ni	Deductions for services to employees will not exceed the cost of the service to the employer. If questioned, employers will demonstrate the reasonableness of these charges.	The backside of employee's badge specifies that if the employee loses his/her badge, he/she will be charged 100 Baht for a new badge.	Ni	Ni	Ni	Ni	Employee interview, Documents reviews			Factory shall charge the employee only the replacement cost of the badge that is lost. The directive should be relayed to all employees and a copy is to be posted on all bulletin boards.	31-Mar-06		The note at the back of the badge for the replacement cost of 100 Baht was not yet removed, but factory agreed that it would be removed. Interviewed workers said that there is no charge for lost badge.	Interview	Pending	Factory said that it will just use up the remaining stocks of the badge. The notice on the badge regarding the replacement cost will be removed on the new stock to be ordered. (Note: Unused stock already has the notice and has a blank space for the photo of the incoming employee.)	Inspection of the remaining stocks	Ongoing
Payroll Reporting	Ni	Accurate and reliable payroll reporting, including pay stubs, will be provided.	Ni	The factory used swipe card and manual for timekeeping system, but no printout of swipe card records was available for review by the auditor. The auditor could review the manual records only.	Ni	Ni	Ni	Time records and payroll records review			Attendance records (as well as payroll and other related records) should be kept on site for at least one year.	Ongoing	Before December 2005, we did not have software that would allow partial printing of attendance records. Hence, no computerized attendance records, only manual records were provided to the FLA monitors.	Requested attendance records were provided to auditor. All attendance records can be printed and made available for checking.	Print out of attendance records	Completed			
Payment of Legal Benefits	The Labor Protection Act B.E.2541, Chapter 2, Section 32 which stated that "An employee is entitled to sick leave as long as he or she is actually sick. For sick leave of three days or more, the employer may require the employee to produce a certificate from a first class physician or an official medical establishment."	Legally mandated benefits will be provided or paid in full within legally defined time periods.	Employees are required to submit a medical certification for every time of sick leave, even for only 1 day. Otherwise, they will not be paid for the day.	Ni	Ni	Ni	Ni	Payroll records and leave records review, Management interview			Company regulations on sick leave should be revised to the effect that medical certificate shall be required only for sick leave of 3 days or more. All employees should be informed about the change. A copy of the new regulation should be posted on all bulletin boards.	31-Mar-06		Regulation is in accordance with law, only the practice is not. Factory said that practice had been changed since June 2006. Interviewed workers said that medical certificate is not required for sick leave of 1 day.	Copy of workers handbook, Interview	Completed			

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9. Hours of Work																				
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	NI	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.	It was found that, during the last 11 months (January to November 2005), 5 -25 randomly selected employees worked OT in excess of 12 hours per week. Details for 2005 for 5 selected examples are as follows: - January: 20-27 hours OT per week. - February: 18-24.5 hours OT per week. - March: 15-29.5 hours OT per week. - April: 21-27 hours OT per week. - May: 22.5-29.5 hours OT per week. - June: 22.5-29.5 hours OT per week. - July: 19.5-22 hours OT per week. - August: 15-22 hours OT per week. - September: 16-22.5 hours OT per week. - October: 18-22 hours OT per week. - November: 16-27.5 hours OT per week.	NI	NI	Time records and payroll records review			Causes of the extended overtime should be identified and corrective actions instituted to eliminate the causes. Production staff should be trained to monitor materials and production status and working hours in other sectors involved. Factory shall submit plan to reduce overtime hours to only 12 hours a week and to ensure a weekly rest day.	Ongoing		Attendance records from March to May 2006 showed working hours at 64 to 70 hours a week. Factory has not yet submitted a plan on how to reduce overtime.	Attendance records	Pending	Attendance records from July to September 2006 showed weekly working hours of 68 to 75. Working hours in October at 62 to 65 hours a week. Factory has not yet submitted a plan on how to reduce overtime.	Attendance records	Pending			
	NI	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 1 day off in every 7 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 without at least 1 day off in every 7-day period in January, February, March, April and May 2005.	NI	NI	Time records and payroll records review			In case work on rest day cannot be avoided, factory shall arrange a compensating rest day in the following week.	Ongoing	Attendance records from March to May 2006 showed weekly rest days. = Will continue to monitor this in subsequent visits.	Attendance records	Ongoing	Attendance records from July to October 2006 showed no work on weekly rest days. Will continue to monitor in subsequent visits.	Attendance records	Ongoing				
	The Ministerial Regulation No.3 B.E.2541 Issued under the Labor Protection Act B.E.2541 which stated that "Overtime working hours under paragraph 1 of Section 24 and working hours on Holiday under paragraphs 2 and 3 of Section 25 shall, in aggregate, not exceed 36 hours per week in aggregate. Working hours on Holidays shall include overtime working hours on holidays."	NI	Some workers worked overtime and Sunday in excess of 36 hours per week (65.5 hours) in March 2005. This did not comply with local law.	NI	NI	Worker interviews and time records review			Causes of the extended overtime should be identified and corrective actions instituted to eliminate the causes. Production staff should be trained to monitor materials and production status and working hours in other sectors involved. Factory shall submit plan to reduce overtime hours to only 12 hours a week and to ensure a weekly rest day. In case work on rest day cannot be avoided, factory shall arrange a compensating rest day in the following week.		Attendance records from March to May 2006 showed working hours at 64 to 70 hours a week. Factory has not yet submitted a plan on how to reduce overtime.	Attendance records	Pending	Attendance records from July to September 2006 showed weekly working hours of 68 to 75 hours. Working hours in October at 62 to 65 hours a week. Factory has not yet submitted a plan on how to reduce overtime.	Attendance records	Pending				
Legal Compliance with Protected Workers	The Labor Protection Act B.E.254, Chapter 2, Section 27 which stated that "On a working day, an employer shall arrange a rest period during work for an employee of not less than 1 hour per day after the employee has been working for not more than 5 consecutive hours."	The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 16.	Some employees were sometimes requested to work overtime until midnight, but the factory provided them only a 30-minute break. They worked overtime continuously for 6.5 hours (from 17:30 to 24:00), but were not provided the required 1-hour rest period after working for 5 consecutive hours.	NI	NI	Time records and payroll records review			Remediation plan pending.											
Other	The Labor Protection Act B.E.254, Chapter 9, Section 106	NI	There are work shifts in the factory, but the factory's rules and regulations do not specify the time of work shifts.	NI	NI	Factory's rules and regulations review, Management interviews			Include in the factory rules and regulations the days of work, working time and rest hours.	31-Mar-06	New handbook for the rules and regulations issued on January 5, 2006 indicates the working days, hours of work and break times.	Copy of new handbook	Completed							
10. Overtime Compensation																				
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.																				
Miscellaneous																				
Unauthorized Subcontracting	NI	NI	The factory used subcontractor for embroidering process without approval from PC.	NI	NI	Management interviews			Assign a person to oversee subcontractors to ensure that they comply with government licensing regulations, labor laws and health and safety standards.	31-Mar-06	All embroidery and printing subcontractors are approved by the brands. We will assume compliance of standards by subcontractors.	No report available for factory's monitoring of subcontractors.	Pending							