



COMPANIES: PVH Corp
COUNTRY: Thailand
ASSESSMENT DATE: 07/27/16
ASSESSOR: FLA China
PRODUCTS: Apparel
NUMBER OF WORKERS: 1366

FLA Comments

In situations where a FLA-affiliated Company is no longer sourcing from a factory that has received an FLA assessment, the Company shall submit information on (a) the reason for exiting; (b) the status of compliance and summary of efforts to remediate noncompliances in the factory; and (c) plans to follow up on critical issues. Despite multiple reminders and extensions, the FLA-affiliated Company in this case has not submitted this information. It will be posted when received from the company.

Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Violations
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Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. There are no written policies or procedures on Recruitment, Hiring & Personnel Development or Retrenchment. There are policies but no written procedures for Health & Safety, although some documents or systems exist to manage Health & Safety issues.
2. There are no Health & Safety procedures or guidance documents regarding protections for pregnant workers, young workers, and disabled workers.
3. There are no procedures on the periodic inspection of the roofing materials which contain asbestos (located on the second floor of Buildings 1 and 2). At the time of the assessment the asbestos was in good condition (no cracking).
4. The factory has not implemented a comprehensive ergonomics program. The factory provides workers training on proper lifting techniques, but there are no written policies and procedures on ergonomics, including instructions to minimize stress and repetitive motion injuries and a list of equipment that needs to be improved to reduce the risk of injury (e.g. back support belts, ergonomic tables, adjustable chairs with back support).
5. The Health & Safety policies and procedures do not include a list of confined spaces that require work permits or the precautions people must take prior to entering confined spaces and while working in confined spaces.
6. The factory has procedures on the Grievance System, but worker representatives are not involved in their development or review. Furthermore, the procedures do not allow for the direct settlement of grievances by the worker and the immediate supervisor. Grievances are handled solely by management.
7. Although the factory has never had any layoffs, there are no procedures in place that require management to consult with worker representatives before implementing layoffs.

Local Law or Code Requirement

The Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety Health and Environment B.E.2549 Clause 3; The Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Work Environment in Confined Space, B.E. 2547 (A.D. 2004); FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.3, ER.25.2, ER.25.3.1, ER.29, ER.31, and ER.32; Health, Safety & Environment Benchmarks HSE.1, HSE.2, and HSE.17)

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There is no system in place to check whether Burmese migrant workers who are hired through recruitment agencies have paid any recruitment fees.
2. The job application forms for all positions include questions on marital status, military service status, weight, height, educational level, and names of family members. Although there is no evidence of this information being used for discriminatory purposes, this practice poses a risk of discrimination.
3. The factory has a workforce of 1,235 workers, including 83 Burmese migrant workers who were recruited directly by the factory. These workers are required to pay recruitment fees as follows:
 - a. Group 1: Workers who already have a travelling document (i.e. passport) from their previous job/employer but have an invalid work permit. The majority of migrant workers fall into this category. Upon beginning work at the factory, they are required to pay:

1. Change of employer fee: THB 1,000

2. Work permit renewal fee: THB 1,000

3. Resignation processing fee from the previous employer: THB 1,000

4. Duty Tax stamp fee: THB 10

5. Service provider processing fee: THB 2,000

6. Health examination fee: THB 500

Total: THB 5,510 (USD 157)

- b. Group 2: Workers who already have a travelling document (i.e. passport) and a valid work permit from their previous job/employer. Upon beginning work at the factory, they are required to pay:

1. Change of employer fee: THB 1,000

2. Resignation processing fee from the previous employer: THB 1,000

3. Duty Tax stamp fee: THB 10

4. Service provider processing fee THB 1,000

Total: THB 3,010 (USD 86)

4. The factory loans THB 3,010-5,510 to migrant workers who cannot afford to pay their recruitment fees and requires them to pay THB 1,000 every other week until the loan has been repaid (these payments are not deducted from workers' paychecks, workers pay the factory in cash). According to the additional loans data sheet that assessors reviewed, seven out of 83 migrant workers are currently in the process of paying the factory back.

5. Foreign migrant workers in Thailand are legally required to undergo health examinations for their work permits to be processed or renewed. This health examination includes testing for pregnancy, lymphatic filariasis, leprosy, tuberculosis, syphilis, drug use, and alcoholism. Although management does not require it, assessors found that the results of the pregnancy tests are included in the health examination reports of the Burmese migrant workers upon hiring and extension of their work permit.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.3, ER.5, ER.6; Non-Discrimination Benchmarks ND.2.1, ND.3.1.3, and ND.5.1; Forced Labor Benchmark F.7)

Recommendations for Immediate Action

1. Implement a system to determine whether migrant workers hired through recruitment agencies are required to pay recruitment fees. If it is determined that they do pay recruitment fees to the agencies, work with the recruitment agencies to end this practice.
2. Remove all discriminatory questions regarding marital status, sexual orientation, gender, race, religion, age, health status, marital status, disability, pregnancy, nationality, political opinion, social group, or origin from the job application forms.
3. Cease collecting recruitment fees from migrant workers. The factory should cover all recruitment costs and fees that might be incurred, including travel expenses, visas, work permits, change of employer, document verification, legally required health examinations, processing, and work permit renewals. Retroactively reimburse all migrant workers for any recruitment fees/loan payments for recruitment fees that they have paid over the last 12 months.
4. Do not include pregnancy test results in migrant workers' health examination reports at any point during their employment. Ensure that pregnancy test results cannot be used to discriminate against workers.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Although factory management has trained workers and supervisors on the Worldwide Responsible Accredited Production (WRAP) standards and the FLA-affiliate's Code of Conduct, neither workers nor supervisors have received any training on the FLA Workplace Code and Benchmarks and, therefore, are not aware of them. Furthermore, the FLA Workplace Code and Benchmarks have not been posted in the factory.
2. The orientation training provided to new workers does not cover the factory's HR policies. Furthermore, workers are not provided with complete training materials during orientation, including the FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15.1, ER.15.3, ER.16, and ER.17)

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Although factory management has trained workers and supervisors on the Worldwide Responsible Accredited Production (WRAP) standards and the FLA-affiliate's Code of Conduct, neither workers nor supervisors have received any training on the FLA Workplace Code and Benchmarks and, therefore, are not aware of them. Furthermore, the FLA Workplace Code and Benchmarks have not been posted in the factory.
2. The orientation training provided to new workers does not cover the factory's HR policies. Furthermore, workers are not provided with complete training materials during orientation, including the FLA Workplace Code and Benchmarks.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.15.1, ER.15.3, ER.16, and ER.17)

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

As the factory is missing policies and procedures on Retrenchment, there is no review process for these documents or communication to the general workforce on these Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, and ER.32)

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

- 1.The factory has procedures on Discipline, but worker representatives are not involved in their development and evaluation.
- 2.Disciplinary actions are not witnessed by a third-party during imposition.
- 3.The factory does not conduct training for supervisors on Harassment or Abuse.
- 4.The factory's Workplace Conduct & Discipline policies and procedures are not regularly reviewed or communicated to the general workforce.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.17, and ER.27.4)

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

The factory's probation period is 119 days, which complies with local law but does not meet the FLA Workplace Code and Benchmarks limit of three months.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.3)

Recommendations for Immediate Action

Limit the probation period to three months. Reduce all existing workers' probationary periods to three months.

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

Employees are not provided a copy of the Collective Bargaining Agreement (CBA), but it is posted on prominent information bulletin boards in each working department. However, the CBA is not posted in Burmese.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16)

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

- 1.Air emissions from the boiler stack (which uses coal) are only inspected once per year instead of once every six months. The latest inspection reports are dated March 9 and 10, 2016 and March 12, 2015.
- 2.The factory has not identified whether any of its operations generate negative environmental impacts.

Local Law or Code Requirement

The Notification of the Ministry of Industry Re: Report and Volume of the Contamination that Discharged from the Facility, B.E. 2550, Section 4.2; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.4; Employment Relationship Benchmark ER.31)

Recommendations for Immediate Action

Have the boiler stack air emissions tested every six months, as legally required.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

- 1.The factory has not conducted a fire risk assessment.
- 2.One of the two emergency exits in the setting department (on the first floor of Building 1) were blocked by fabric rolls.
- 3.The factory has installed a back-up battery for the fire alarm system, but it is not functional as the battery is dead. The fire alarm buttons are tested monthly by the factory; all other systems, including the back-up battery, are checked yearly by an outsourced contractor. The latest test of the backup battery was conducted on September 28-29, 2015.
- 4.The fire alarm button in the fabric storage area on the first floor of the knitting factory is blocked by fabric rolls.
- 5.The fire alarm buttons in the bleaching and dyeing department are not identified with signs.
- 6.There are no emergency illumination systems in loud areas (the knitting, bleaching, and dyeing departments).
While firefighting training was provided to workers, fewer than 40% of the workers from many of the departments attended: Sewing/Packing/QC (32%), 7.Bleaching & Dyeing (37%), and Finishing (39%).
- 8.The factory's evacuation maps, emergency plans, and exit signs are all provided in Thai and English only, but not Burmese.
- 9.The evacuation maps in the setting department (on the first floor of Building 1) and the sewing department (on the second floor of Building 2) do not show the correct layout of the factory or the correct evacuation routes.
- 10.The arrow markings on the floor of the setting department (on the first floor of Building 1) do not represent the most direct route to the emergency exit.
- 11.One illuminated exit sign in the setting department (on the first floor of Building 1) and one in the fabric storage area (on the first floor of the knitting factory) are not functional as the batteries are dead.

Local Law or Code Requirement

The Notification of Ministry of Industry Re: Fire Prevention and Protection in the factory BE 2552 Section 4; The Ministerial Regulation on the Prescribing of standard for administration and management of Occupational safety, Health and Environment relating to protection and prevention of fire B.E. 2012 Clause 9, 11 and 27 ; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.5.1, HSE.6.1, and HSE.6.2)

Recommendations for Immediate Action

- 1.Conduct a fire risk assessment.
- 2.Clear obstructions from all emergency exits so that they are accessible at all times. Monitor exits regularly to ensure they remain accessible.
- 3.Replace and maintain the fire alarm back-up battery so that it is functional at all times.
- 4.Clear obstructions from all fire alarm buttons so that they are accessible at all times.
- 5.Post signs to identify all fire alarm buttons.
- 6.Install emergency illumination systems in loud areas.
- 7.Provide firefighting training to employees, and ensure that at least 40% of the employees from each department attend, as required by local law.
- 8.Post evacuation maps, emergency plans, and exit signs in Burmese.
- 9.Ensure that all evacuation maps are accurate.
- 10.Ensure that arrow markings on the floor lead directly to emergency exits.
- 11.Repair and maintain all illuminated exit signs throughout the facility.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no warning signs posted in the area covered by roofing materials containing asbestos and workers are not trained on what to do if they observe cracking.
2. The factory provided annual health checks for all workers on May 23, 2016, according to the risk of their work function. However, spirometry health examinations were not provided for sewing workers who frequently inhale dust from the fabric they work with.
3. The factory has not defined the weight limit of the hand carriage equipment, and there are no warning signs posted. Some fabric rolls or containers are too heavy and placed too high on the carriage.
4. One forklift in the setting department (on the first floor of Building 1) was operated without a functional sound and light system.
5. There are no hand protection devices installed on the snapping machine in the sewing section in Building 1.
6. There are no lower belt guards, upper belt guards, or eye shields installed on approximately six of the linking machines (located in the setting section on the first floor of Building 1 and the bleaching, dyeing, and knitting departments on the first floor of Building 1).
7. Appropriate Personal Protective Equipment (PPE) is available for all workers. However, the forklift operators were not wearing helmets, safety belts, or fabric gloves and a number of workers in the bleaching and dyeing department were not wearing rubber gloves or face masks.
8. Only some of the workstations are adjustable to fit individual workers.

Local Law or Code Requirement

The Ministerial Regulation Re: Rules and Procedures for Medical Examination, B.E. 2547, Chapter 1, Clause 3; The Ministerial Regulation on Administration and Management of the Aspect of Occupational Safety and Health and Working Environment relating to Machines, Cranes and Boilers B.E. 2552, Section 11 and 31; The Ministerial Regulation on Setting Standards for Management and Implementation of Occupational Health and Safety in the Work Environment with Dangerous Chemicals B.E. 2556, Article 12; The Occupational Safety, Health and Environment Act, B.E. 2554 (A.D. 2011), Section 17; The Ministerial Regulation Re: Prescribing A Safety, Occupational Sanitation and Working Environment Management Standard B.E.2549, Clause 5; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.8, HSE.9, HSE.14, and HSE.17)

Recommendations for Immediate Action

1. Post warning signs regarding the presence of and hazards associated with asbestos in the areas covered by roofing materials that contain asbestos. Train workers on what to do if they observe cracks in the asbestos.
2. Provide annual health checks to workers according to the risks incurred by their work functions, including spirometry tests for sewing workers.
3. Define and train workers on the weight limit for hand carriage equipment. Post warning signs accordingly.
4. Repair and maintain all safety devices for forklifts, including the sound and light systems.
5. Install hand protection devices on all snapping machines as well as lower belt guards, upper belt guards, and eye shields on all linking machines. Regularly inspect and maintain all safety devices to ensure they are functioning properly.
6. Ensure that all workers are trained on use of PPE. Closely monitor implementation.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Approximately 50% of the Material Safety Data Sheets (MSDS) are only available in Thai instead of both Thai and Burmese.
2. None of the chemical containers used in the bleaching and dyeing department are labeled.
3. Not all workers who work with chemicals know how to use them safely.

Local Law or Code Requirement

The Occupational Safety, Health and Environment Act, B.E. 2554 (A.D. 2011), Section 17; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.9.1 and HSE.10.1)

Recommendations for Immediate Action

1. Ensure that MSDS are available in Burmese.
2. Label all chemical containers (in both Thai and Burmese) with the chemical name, type, hazard, and first aid response details.
3. Train workers on the safe use of chemicals.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1.The factory has not installed a grounding system on the metal frame of the water cooler in the fabric storage area on the second floor of the knitting factory in order to prevent issues with static electricity.
2.The maintenance workers, wastewater treatment workers, and boiler operator team have not received training on how to work in confined spaces. 3.There are a number of confined spaces in the factory, such as wastewater treatment tanks, LPG station, boiler station, oven section, none of which are appropriately labeled with warning signs. The factory has not provided the appropriate rescue equipment for confined spaces.
4.There are no barriers or fences to prevent falling accidents in the loading areas of the accessories storage, fabric storage, yarn storage, and finished good storage spaces. The loading areas are approximately 1-1.5 meters off the ground and the rolling doors are left open during working hours.
The factory has a boiler explosion emergency plan but has not provided the maintenance workers or boiler operator team with training on the plan.

Local Law or Code Requirement

The Occupational Safety, Health and Environment Act, B.E. 2554 (A.D. 2011), Section 6; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6.1, HSE.13, and HSE 14.1)

Recommendations for Immediate Action

1.Install a grounding system on all drinking water machines with metallic frames to prevent static electricity and electric shock.
2.Provide training on work in confined spaces to the relevant employees. Identify all confined spaces in the factory with warning signs. Ensure that the appropriate rescue equipment is available in case of emergency.
3.Install sufficient barriers or fences in loading areas.

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1.There are no emergency plans, hazard identifications, or procedures for the prevention of Health & Safety issues such as food poisoning and poor hygiene.
2.The factory does not have a license to sell and collect food in the canteen.
3.The factory is supposed to conduct drinking water tests once per year, but they have not yet conducted a test for 2016. The latest inspection report was dated February 19, 2015. Some of the workers have complained that the water sometimes smells bad and does not seem clean.
4.The factory has not conducted a health risk assessment for the factory or the dormitory, as legally required.
5.The factory does not provide canteen staff with training on food safety and hygiene.

Local Law or Code Requirement

Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment, B.E.2549, Clause 18; Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment in Relation to Hazardous Chemicals, B.E. 2556, Article 32; The Department of Health Section 8, Clause 38; The Notification of the Ministry of Public Health No. 61 (B.E.2524) and No.135 (B.E.2534); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.4, HSE.19, HSE.22.1, HSE.22.2, HSE.23, and HSE.25)

Recommendations for Immediate Action

1.Identify hazards in the canteen that increase the risk of food poisoning and other hygiene issues. Create procedures for the prevention of these issues, such as a thorough initial cleaning of the canteen, the development and implementation of a cleaning plan for canteen workers, swab testing, the preparation of a refrigerator to be used solely for food samples (to avoid contamination), and regular inspections by the canteen committee.
2.Obtain the necessary license to sell and collect food in the canteen.
3.Conduct annual tests of the drinking water to ensure water quality, as legally required.
4.Conduct a health risk assessment in the factory and the dormitory, as legally required.