Corrective action plan - Annex to Audit Report "Laos PDR - *Trio (Lao) Export Co., Ltd - May 2012* "

In the table below the issues that need improvement are summarised. For each improvement issue a requirements or recommendation is mentioned. Requirements include concrete articles in laws, decrees or any other legal texts and contain useful details (for example legal limits to overtime hours, the legally required content of a first aid box, etc.) Recommendations are written in italics. Indicated is whether management agreed with the findings of the audit team and what timeframe could be agreed on the corrective action.

The columns F-J are not required to be filled in by FWF affiliates, but FWF offers this template as a means to keep track of improvements. Affiliates are free to use their own documentation to monitor improvements in labour condition.

Labour standard / management system requirement	**Conclusion**	**Management response to findings**	**Requirements/ *Recommendations***	**Timeframe**	**Comments by FWF affiliate**	**Improvement observed**	**Status** (to be discussed / pending / closed)	**Date of last update**	**Responsible person**
Sourcing practices of FWF affiliate	The factory is a production site of a FWF factory member.								
Monitoring system of FWF affiliate	The factory is a production site of a FWF factory member.								
Management system of factory to improve working conditions	There is no formal system to monitor and continuously improve working condictions in the factory.	To be discussed	*Recommendation: Trio could discuss with KTC and FWF and request a training for the management staff on social compliance and effective communication with workers.*	To be discussed					
Communication and consultation 1	There is no grievance policy & procedure was established and communicate to all employees.	Agreed	*Recommendation : The company should established the grievance policy & procedure and communicate to all employees.*	3 months					
Communication and consultation 2	Workers are not well informed concerning the FWF Code of Labour Practices.	Agreed	*Recommendation: The company should provide the traininig the FWF CoLP to communicate to all of employee.*	Immediately					
Employment is freely chosen	Nil								
No discrimination in employment	Nil								
No exploitation of child labour	The young workers worked overtime: 17.00pm to 19.00pm.	Not agreed as factory not force them to work.	*Recommendation: The company should not allow the employee who is less than 18 years of age works overtime.*	To be discussed					
Freedom of association and the right to collective bargaining	It was noted that the employee representatives were elected in 2007. The election is expired.	Agreed	*Recommendation: The company should allow new election of employee representatives to ensure democracy in employees committee.*	Immediately					
Payment of a living wage	The factory has paid at least minimum wages to all workers. There is no living wage research available in Laos. The factory is encouraged to discuss wages with workers regularly to determine if wage level of the factory is sufficient.	Will discuss if FWF can provide living wage benchmarks	*Recommendation: The management should discuss and research in what way production, wage and incentive systems can be improved to allow for wage increases among workers. This review should involve representatives of the employees.*	To be advised					
Reasonable hours of work 1	According the comparison attendance record reviewed of the last 3 months (February to April 2012), work time occationally exceeds 60 hours in April 2012. Some workers in Accessory Warehouse & Fabric Warehouse departments worked 61 to 63 hour per week.	Agreed	*Recommendation: company shall limit the number of total work time to less than 60 hours/week as a first step.*	Immediately					
Reasonable hours of work 2	It happened that a consecutive work of 12 days without any rest days in April 2012 for some workers in Accessory Warehouse.	Agreed	*Requirement : Ensure at least one rest day every week.*	Immediately					
Safe and healthy working conditions 1	It was observed that the dormitory is too crowded. Workers are sharing beds together.	Agreed. The company is building new dormitories.	*Recommendation: The company should provide at least one bed for each worker. More recommendation has been given to the company by the auditor.*	6 months					
Safe and healthy working conditions 2	It was noted that no MSDS posted in the area of using the chemical (sport-lifting spray), packing department.	Agreed	*Recommendation: The facility should post the MSDS at are of using the chemical; packing section.*	Immediately					
Safe and healthy working conditions 3	All standing employees at ironing and QC section was not provided the floor mat.	Agreed	*Recommendation: The company should provide floor mat for standing worker at ironing section.*	3 months					
Safe and healthy working conditions 4	A number of workers in warehouse section were not provided PPE; the belt for supporting back while they have to lift the heavy fabric rolls.	Agreed	*Recommendation: The company should provide the PPES (belt for supporting back) when they have to lift the fabric rolls.*						
Safe and healthy working conditions 5	It was observed that the worker in packing section did not wear the earplugs while working with the pneumatic system which is very noisy.	Agreed : traning will provided how to lift in the proply.	*Recommendation : PPEs (earplugs) should be provided to employees working in noisy area.*	Immediately					
Safe and healthy working conditions 6	It was noted that there was no chemical training provided for the employees who have to handle the chemical such as spot cleaning staffs.	Agreed	*Recommendation: The compnay should arrange for chemical training to all employees have worked with chemical.*	Immediately					
Safe and healthy working conditions 7	It was noted that the factory recorded all injuries/accidents that happened in the factory by the nurse; however, there was no investigation of accident was conducted in order to find the root cause and prevent the reoccurrence.	Agreed	*Recommendation: The compnay should conduct the investigation for all minor accident/injury cases.*	Immediately					
Safe and healthy working conditions 8	The factory has arranged annual health checkup for 1,325 workers. This arrangement did not include workers working less than 3 months.	Agreed	*Recommendation: The company should provide a medical examination for all employees at least once a year. New workers should receive a checkup at the start of their job.*	6 months					
Safe and healthy working conditions 9	It was noted that there was no record to demonstrate that there was a meeting between among the committee for Occupational Health & Safety.	Agreed.	*Recommendation: The company should arrange the meeting with the Committee for Occupational Health & Safety regularly basis and maintain record for verification.*	Immediately					
Legally binding employment relationship 1	Nil								