

Monitoring result for Lao Apparel Co., Ltd. on site Lao Apparel Co., Ltd.

Monitoring

Monitored Party : Lao Apparel Co., Ltd.
amfori ID : 418-000001-000
Site : Lao Apparel Co., Ltd.
Site amfori ID : 418-000001-002
Address : Km.30, Road no.10, Ban Phonhaikham
: Xaythany
: Attapu
: Lao People's Democratic Republic
Monitoring Activity : amfori Social Audit - Manufacturing
Monitoring Type : Full Monitoring
Submission Date : 02/08/2022
Expiration Date : 02/08/2024

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Overall rating



Section rating

PA1: Social Management System	A
PA 2: Workers Involvement and Protection	A
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	A
PA 5: Fair Remuneration	A
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	A
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A

PA 10: No Precarious Employment	A
PA 11: No Bonded Labour	A
PA 12: Protection of the Environment	A
PA 13: Ethical Business Behaviour	A

General description

Auditor information, Lead auditor: Rattaya Songdee - APSCA registration number: RA 21701549, Team member: Thidatip Konsue - APSCA registration number: RA 21700289/ Intertek Testing Services (Thailand) Ltd. Audit date: July 18-19, 2022 Lao Apparel Co., Ltd. is located in Vientiane Capital, Laos. The audit is covered 2 sites of facility comprising site 1 (Address: Km.30, Road No.10, Ban Phonhaikham, Xaythany District, Vientiane Capital, Laos) and site 2 (Address: Ban Nasone, Naxaythong District, Vientiane Capital, Laos). This is a Private Company. The total land area for site 1 is 19,200 square meters (9,896 square meters for production area) and total area for site 2 is 5,000 square meters (2,070 square meters for production area). They have started their operation since 2012.

Business license no. 0678/JTW updated on May 21, 2020 and factory permit no. 440/GOH.KH updated on January 26, 2022 and valid until September 11, 2024, the license and permit is approved by Ministry of Industry.

In the view of the facility comprising site 1: One 1-storey building for office, first aid room and production (Washing, drying, cutting, sewing, fusing, embroidery, ironing, packing, finished goods warehouse), One 1-storey building for Lao dormitory and One 1-storey building for Thai staff dormitory. Site 2: One-1storey building for office and production (Sewing and fusing) and One 1-storey building for Thai staff dormitory. The main products manufactured by the facility is garment.

The main production processes performed by the facility are receiving raw material from head office (Thailand) – cutting – fusing – embroidery – sewing – quality control – ironing – packing – metal detector – storage in finished goods warehouse – delivery.

For site 2 the production process is only sewing process and fusing process for support to site 1. The production capacity is 150,000 pieces per month. The peak season is July to September and December.

A total of 800 employees are working in the facility which includes 152 males (147 Laotian employees and 5 Thai staffs) and 648 females (629 Laotian employees and 19 Thai staffs). There are 720 production employees and 80 non-production employees. During the audit date auditor found 739 employees worked in the facility because 61 employees comprising 13 employees taken annual leave, 2 employees taken personal leave, 7 employees taken maternity leave, 38 employees absent, and 1 employee taken sick leave.

The normal working day is from Monday to Saturday, Sunday is a weekly day off and normal working hour starts from 8.00AM – 5.00PM with one hour for lunch (12.00PM - 01.00PM). Card scanning system is used for time record keeping. Wage is paid twice a month (as follow the facility calendar announcement, revision May 5, 2022) for daily rate and monthly rate employee, the wage cut off 1st – 15th (overtime is the same period) and 16th – 30th/31st (overtime is the same period). Wage is paid to employees through deposit to employee's bank account since February 2022 and before the facility paid by cash.

Ms. Nok Thammavong – Sewing supervisor is responsible for worker committee for site 1 & 2, Ms. Hla Kammueng – Sewing operator (Site 1) and Mr. Somneuk Khunsombat – Sewing operator (Site 2) are responsible in worker representative. The worker committee and worker representative is came from employee election, and the latest effective on June 28, 2021. The worker committee and worker representative are conducted the meeting in regularly. The original document of all employees included Thai staff such as identification card, house registration, passport, work permit is kept by employee. All employees are hired by facility directly, only used agency company (NVN Service Co., Ltd.) for applied/renewed the document process of Thai staff. No external production subcontractor and service provider used in the facility.

Auditor verified the personnel files, employee registration list and interview with HR officer found that the youngest employees was 18 years old and 4 months old. Verified the time and payroll records in June 2022 (current month), January 2022 (low month) and September 2021 (peak month) and interviews with HR officer and employee found that, the highest wage for daily employee is LAK 3,692,500 per month, the average wage for daily employee is LAK 1,905,448 per month. Based on interview with employees confirmed that the original document of all employees included Thai staff is kept by employee and no wage deposit during hiring. The cost of renewal process for work permit fee, visa fee and passport fee of Thai staff is paid by facility. During the #COVID19 pandemic, the facility requires all visitors and employees to check body temperature, clean their hands with an alcohol-based hand rub and conducted the Antigen Test Kit (ATK) before access to the facility, wear mask during working onsite, and maintain social distance between each other.

Audit Process:

This amfori BSCI audit was conducted by Intertek Testing Services. Two auditor assessed / verified the facility's operations against the amfori BSCI Code of Conduct and local legislation on a sampling basis in 2 days (Total 4.5 Manday (including 0.5 reporting time), additional 1 Manday for site 2 (travelling around 30-45 minutes from site 1)).

Overview of opening meeting, facility management responses:

At 08.40AM, auditors entered the facility then held an opening meeting according to the amfori BSCI Program, the facility management, Mr. Nattawut Chantaranakaracha – Managing Director and his teams were present in the meeting. They stated that they would be cooperative with this audit.

26 attendance and payroll records in each month of June 2022 (current month), January 2022 (low month) and September 2021 (peak month) were reviewed in this audit. 26 employees were interviewed including 7 males and 19 females.

Attitude of employees:

All employees were satisfied with the working condition. They had good relationships with their supervisors, managers and colleagues. The facility paid wage on-time.

Attitude of managers:

The management showed a positive attitude to this audit during the whole process. All requested documents were provided timely. At the end of the audit, the closing meeting summary signed by Managing Director.

Overall Findings:

No finding raised in this audit.

Best Practices Observed:

(1) The main auditee exceeds expectation with respect to this principle because the facility obtains international standard such as

- OEKO-TEX Standard (100), refer to certificate no.22.HLA.12383 and valid until July 31, 2023.

- Workplace Conditions Assessment (WCA) Standard, refer to certificate no. F_IAR_20230-WCA-R8 and valid until March 27, 2023.

(2) The main auditee exceeds expectations with respect to this principle because the facility has provided benefits beyond the legal requirement such as uniform, transportation, attendance bonus, meal allowance, dormitory, annual bonus, and transportation allowance.

Remark: Contractor license/permit, Structural / stability license and Collective bargaining agreement is not applicable for the site.

Site Details

Site : Lao Apparel Co., Ltd.

Site amfori ID : 418-000001-002

GICS Classification

Sector : Consumer Discretionary

Industry Group : Consumer Durables & Apparel

Industry : Textiles, Apparel & Luxury Goods

Sub Industry : Apparel, Accessories & Luxury Goods

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	739 Workers
Legal minimum wage in local currency	1100000 Monthly
Lowest wage paid for regular work at the site	1100000 Monthly
Calculated living wage in local currency	386469 Monthly
Total sample	26 Workers

Other Metrics

Male workers	142 Workers
Female workers	597 Workers
Permanent workers - Male	152 Workers
Permanent workers - Female	648 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	2 Workers
Management - Female	2 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	20 Workers
Workers on probation - Female	172 Workers
Workers with night shift - Male	0 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	0 Workers
Workers with disabilities - Female	0 Workers
Domestic migrant workers - Male	0 Workers
Domestic migrant workers - Female	0 Workers
Foreign migrant workers - Male	5 Workers
Foreign migrant workers - Female	19 Workers
Workers hired directly - Male	152 Workers
Workers hired directly - Female	648 Workers
Workers hired indirectly - Male	0 Workers
Workers hired indirectly - Female	0 Workers
Unionised workers - Male	0 Workers
Unionised workers - Female	0 Workers
Workers under CBA - Male	0 Workers
Workers under CBA - Female	0 Workers
Pregnant workers	13 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	6 Workers
Sample - Male	9 Workers
Sample - Female	17 Workers

Findings

No findings