

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

11 Aug 2021



Factory Information

FLA Affiliates	adidas,Arena S.p.A.
Country	Cambodia
Number of Workers	2424

Understanding this Report

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.

FLA Code Element

Number of Violations

Compensation (C)	3
Employment Relationship (ER)	9
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	17
Hours Of Work (HOW)	2
Nondiscrimination (ND)	1

Assessment Information

Assessor	Openview- China Shenzhen
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Assessment Date	11 Aug 2021
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Assessment Purpose	Factory Assessment (Virtual Compliance Check)
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.7
Benchmark Details	All payments to workers, including hourly wages, piecework, fringe benefits and other incentives shall be calculated, recorded, and paid accurately.

Finding Details

1. The factory calculates the monthly basic wage as follows: Monthly basic wage is equal to the basic wage minus (-) (basic wage divided by 26 days, then multiplies this by the number of unpaid leave days in the month). This calculation results in the workers receiving less wages than the amount they deserve if there are 27 working days in a month, such as October 2020, December 2020, and March 2021. For example, the basic wage of a reviewed worker is USD198/month, he worked for 6 days in March 2021, and took 21 unpaid leave days. The factory paid USD198 - $(\text{USD}198/26 \times 21) = \text{USD}38.08$, while the worker should get at least $\text{USD}198 - (\text{USD}198/27 \times 21) = \text{USD}44$ or $\text{USD} (198/27) \times 6 = \text{USD}44$. In another example, the basic wage of a worker is USD198/month, he worked for 2 days in March 2021, and took 25 unpaid leave days. The factory paid USD7.62, while the worker should get USD14.67.

2. The factory pays the monthly wage for one out of the 46 sampled workers in April 2021 at a lower rate than her employment contract's wage. The worker signed the probation contract at a rate of USD192 per month from February 5, 2021 to April 4, 2021 and then she signed the employment contract from April 5, 2021 with the basic wage increasing to USD198 per month. In April 2021, she had two working days and took one unpaid leave in the probation period from 1 to 4 April, 2021. From April 5 to 30 2021, she had 5 working days from 5 to 9 April, 2021, then she took the annual leaves with payment and public holiday from 10 to 30 April, 2021. However, the factory paid her new wage at \$198 for 9 days only (including 4 working days and 5 public holiday) as follows: $(\text{USD}198 - \text{USD}192)/26 \times 9 \text{ days} = \text{USD}2.08$, which the factory should calculate and pay the new wage at USD198 for 23 days as follows: $(\text{USD}198 - \text{USD}192)/26 \times 23 \text{ days} = \text{USD}5.3$.

3. The factory does not pay the orientation time for new workers (from one to three hours). The factory conducts the interview in the morning and if workers pass the interview, the factory provides the orientation training in the afternoon. After the training, the factory informs the newly hired workers the date to work but does not compensate for the orientation time.

4. The outsourced security guards worked a night shift from 22:00 to 05:00 for 26 days in June 2021. However, the outsourced security guard company calculates to pay the night shift wage for these eight outsourced security guards less than the legal requirement. The outsourced security company pays night shift wage for these eight outsourced security guards USD239.5, less than what they should get, at USD242.4.

Recommendation for Immediate Action	1. Review the wage calculation method and pay workers correctly. 2. Review the contract and pay the wages sufficiently. 3. Record the orientation time as working hour and pay to workers. 4. Pay 30% of the extra payment to security guards correctly if working in night shift.
Compliance Classifications	Immediate Action Required
Local Law	The Cambodia Labor Law, Prakas No. 303/20 MLVT/P, effective from January 1, 2021; The Cambodia Labor Law, Article 116 and the Cambodia Labor Law, Article 144
Benchmark ID	C.2
Benchmark Details	Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Workers should also be informed about the legal minimum wage.
Finding Details	A total of 30 outsourced female security guards are working onsite. However, their wage is USD 150 per month, which is below the legal minimum wage of USD192/month.
Recommendation for Immediate Action	Communicate to the agent and ensure the security guards are paid at least at the legal minimum wage.
Compliance Classifications	Immediate Action Required
Local Law	The Cambodia Labor Law, Article 104
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	The outsourced security guard company does not pay the severance allowance (at least 5% of the total wages) for outsourced security guards when termination of a fixed duration contract occurs.

Recommendation for Immediate Action	Communicate to the agent to pay the correct amount when termination occurs, and to keep the severance payment for review.
Compliance Classifications	Immediate Action Required
Local Law	The Cambodia Labor Law, Article 73

Employment Relationship (ER)

Benchmark ID	ER.11.2
Benchmark Details	Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers: Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. for migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;
Finding Details	1. Two out of 46 probation contracts had a thumb print on the blank probation contract as the signature, without any other required information. 2. Interviewed workers did not receive a copy of the probation contract.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	The Cambodia Labor Law, Article 1, 65
Benchmark ID	ER.17.1

Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	1. The grievance procedure is incomplete and does not include the steps what the workers should do if they disagree with the grievance investigation result. The flowchart is inconsistent with the required steps in the procedure. 2. The factory does not set up guidance for anonymous grievance handling.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

Finding Details	1. The factory does not establish child labor remediation plan with details including process, steps, duties, and timeline as per requirement for action. There is only the policy established stating that the factory shall follow local law. 2. The factory does not have a retrenchment procedure. 3. The factory has a written Wages and Benefit policy in place. However, the Wages and Benefit policy does not include skill and performance bonus, the work suspension payment and related wage payment term, such as the wage release frequency and timing. 4. The Job descriptions (JD) are established but they are not completed. Only tasks and duties are noted in the JD. There is no information within the JD on experience or qualification required for each position except for the QA department, HR, and compliance team. There are no JD of positions such as welders, cleaners, and cooks.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Cambodia Labour Law of Prakas 442/2018 Article 1
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	1. The training policies and procedures are established but they do not include a requirement on how workers are informed of training opportunities, the eligibility requirement for participation, if the training will be compulsory or voluntary, if it will take place during or after working hours, and if the training time will be compensated. 2. The training plan in 2020 does not include the eligible trainees for each course. The factory does not establish training on disabled worker policies in the plan of 2020 and 2021.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	1. Factory has policy and procedure on performance review. However, the written policies and procedures on performance reviews does not outline the review steps, process and linkages to job grading. There is no policy that workers are provided with written feedback and agreement/disagreement during the review. 2. The factory has not established procedure and detailed criteria for evaluation after probation, such as renewal/non-renewal of labor contracts. As per the current practice, the evaluation is based on supervisors' judgment. 3. The factory does not follow the promotion procedure and does not have clear criteria on how to evaluate each item in the performance appraisal forms. For office staff and leaders, the supervisors fill in the appraisal forms based on their judgment, then provide it to the Human Resource Department for the promotion decision. For workers, the supervisors decide their promotion and send the promotion list to Human Resource Department. In addition, the factory does not conduct the performance review for any workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.19.1

Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	The Grievance system is in place with suggestion boxes, SMS and direct meeting. The direct meeting process refers to the meeting between workers and supervisor or management. Workers directly raise grievances to supervisor or management and the supervisor or management handle the grievances on the spot in the office. However, the factory does not keep a record of grievances submitted through SMS and direct meetings.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	1. The management review on policies and procedure is conducted but it is not completed. The review does not include a disabled workers policy, guidance procedure for new worker training, termination procedure, and strike handling procedure. 2. The factory does not have a policy or procedure on how workers are consulted or integrated in the decision-making process of aspects concerning workplace and working conditions.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil

Benchmark ID	ER.18.3.4
Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	The factory does not maintain disciplinary records in the worker's personnel file.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	The factory does not state a non-retaliation policy in the labor discipline procedure.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Harassment Or Abuse (H/A)	
Benchmark ID	H/A.10.1.3
Benchmark Details	Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

Finding Details	The factory uses pat-down to search workers. It is a general practice, there is no policy on body searches established and in place for review.
Recommendation for Immediate Action	Cease the act of pat downs. Pat downs and body searches should only be conducted when there is specific and legitimate reason to do so, and with the consent of the workers.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	H/A.2
Benchmark Details	Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance or for violating company rules, regulations, and policies.
Finding Details	The factory deducts from workers' wage for lost tools or equipment broken from USD0.75 to USD29.5 in the sample months. The factory deducts based on the actual cost of lost or broken tools or equipment. However, there is no documented guidance for the deduction. For example, one worker lost scissors in July 2021, the factory deducted USD2 from her wages from the same month.
Recommendation for Immediate Action	Stop deducting wages for lost or broken working tools and equipment.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law Articles 28, 44, 126, and 127
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.6.2

Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	The factory neither provides new workers with the basic first aid training nor periodical first aid training to the whole workforce.
Recommendation for Immediate Action	Provide the basic first aid training for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	1. One out of three hose's water pressure is not sufficient, therefore, the water from hose nozzle is unable to reach the rooftop during the onsite test. 2. The factory does not have an exit sign and emergency light at the motorcycle parking lot. 3. None of the emergency exits could be confirmed to have the fire-resistant smoke-sealed standard in the factory because the factory does not have documents and records to prove this. This needs to be verified by a technical test by an authorized company or confirmed by the purchasing records. 4. The factory does not mark exit route and exit direction at the sewing workshop H& F.
Recommendation for Immediate Action	1. Increase water pressure to ensure the fire hose is in working condition. 2. Install the exit sign and emergency light sufficiently. 3. Install the fire-resistant smoke-sealed standard door as emergency exits. 4. Clearly mark the exit route and exit direction on the floor sufficiently.

Compliance Classifications	Immediate Action Required
Local Law	Prakas 206/2017, Article 12; Cambodia Labor Law 1997, Article 230
Benchmark ID	HSE.5.1.2
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of fire alarms;
Finding Details	1. The factory has not installed fire alarm system in the motorcycle parking lot. 2. The factory has not installed smoke detectors in accessories warehouse in Sewing H & F and motorcycle parking lot. 3. The factory has not installed beacon (flashlight) fire alarm in areas with high level of noise, such as generator rooms.
Recommendation for Immediate Action	1. Install the fire alarm system in parking area. 2. Install smoke detectors in the warehouse and parking area. 3. Install the flash-light in high-noise areas.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Law on Administration of Factory and Handicraft, Jun 23, 2006, Article 26
Benchmark ID	HSE.9.1
Benchmark Details	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.
Finding Details	1. The identification label is not in local language for PAC bags (wastewater treatment chemical) at wastewater treatment plant. The factory provided label in local language for the PAC bag on the 2nd day of assessment. 2. The factory does not provide spill kit for safe handling of leakage at chemical warehouse. 3. The factory does not install secondary containers for at least 12 chemical drums stored at production area (film exposing room).

Recommendation for Immediate Action	1. Provide the identification labels in local language for all chemicals. 2. Equip the spill kit for chemical handling. 3. Provided chemical drums with secondary containers.
Compliance Classifications	Immediate Action Required
Local Law	Law on Administration of Factory and Handicraft (2006), Art. 29, Prakas No. 307; Cambodia Labor Law 1997, Article 230 & The Prakas covered in Article 229
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	The factory canteen has never kept food samples for further investigation in case of food incident.
Recommendation for Immediate Action	Keep food samples to support investigations in case of any food related incidents.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	The factory does not assess the thermal comfort areas such as air compressor room, generator rooms and welding room. Indoor ambient temperature at screen workshop exceeds 32 degrees Celsius in the afternoon in August 2021. There are at least 30 workers working in this screen workshop.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	<p>1. The factory does not install mirrors at the road corners to remind workers to proactively avoid dangers. The factory does not separate traffic lanes for vehicles from walk path for pedestrian. 2. The blades on seven fabric-end cutters in the cutting workshop are not fully enclosed. The worker may be exposed to sharp blade hazard which may cause cutting injuries to fingers, hands. 3. The operating-button on 12 out of 12 observed heat transfer machines (with hot surface) are single instead of dual. 4. There is no safe mechanism for five out of five observed string cutting machines at Sewing H & F. 5. The moving belts on six out of six observed elastic rolling machines are partially covered at Sewing H & F. 6. There is no safety fence for forklift re-charge station to prevent accidental entry of workers. The forklift re-charge station is located at the corridor between two buildings where workers have to walk across in order to access the toilet area. 7. There is no lightning protection system installed in the whole factory. 8. The factory does not establish the Lock-out and Tagout (LOTO) procedure. The factory does not list the machines and equipment applied the LOTO procedure.</p>
Recommendation for Immediate Action	<p>1. Install the mirror at the corner of the roads and separate traffic lanes from walk path to prevent workers from dangers during walking and transportation. 2. Install complete cover for all blades in the cutters. 3. Install dual-button on heat transfer machines. 4. Establish safe mechanism for string cutting machines. 5. Install complete covers on moving belts. 6. Install the safety fence for forklift re-charge station to prevent accidental entry of worker. 7. Establish the lightning system at the factory. 8. Establish the Lock-out and Tagout (LOTO) procedure and list the applied machines and equipment.</p>

Compliance Classifications	Immediate Action Required
Local Law	Cambodia Law of Prakas 206/17, Article 9 & Cambodia Law of Prakas 206/17 Art 9; Cambodia labor law 1997, Article 229
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1. The factory has not installed a sprinkler system in production workshops, fabrics, finishes warehouse or the accessory warehouse. 2. The factory does not provide eye-wash devices in film exposing room.
Recommendation for Immediate Action	1. Install the sprinkler system in production workshops, fabrics and finished goods warehouse, and accessory warehouse. 2. Install the eyewash station at the film exposing room.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Law on Administration of Factory and Handicraft, Jun 23, 2006, Article 26; Prakas No. 125, Article 4
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.

Finding Details	1. The factory has not conducted an annual inspection for five mini-electric boilers at Sewing E & G for the past one year. 2. The factory has not installed the leakage detector at gas and LPG storage or conducted safety inspection for LPG system (valve, pipe). 3. Five out of five pressurized equipment operators do not have safety certificate and none of the steel welding workers have safety certificate.
Recommendation for Immediate Action	1. Review and conduct the inspection for all mini-electrical boilers annually. 2. Install the gas leakage detector or conduct safety inspection. 3. Send the operators for training to obtain the safety certificate.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Law of Notification 2146/17 of Ministry of Industry and Handicraft, Point 1-2; Cambodia Labor Law 1997, Article 230
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. The factory has not taken steps to protect workers from exposure to asbestos. The factory does not conduct a risk assessment to identify asbestos suspected materials (e.g., insulation material for steam pipe of mini-electric boiler). 2. The facility had a grounding system for the generator, transformer station, but no grounding wire for two diesel tanks (1,400 Liters, and 1,000 Liters), and air compressor machine. Note: The factory has provided sand, secondary containment, rooftop, fence for storage area of diesel tanks. 3. The factory does not guarantee at least 1-meter distance when conducting the meeting and training for workers and having meals in canteen. Workers do not wear face masks during the training. Furthermore, there is no regulation on the limit number of people in each meeting or training room. 4. There is no poster for maximum occupancy at the entrance of meeting room. 5. The factory does not reduce the number of workers in each room, to minimize the risk of COVID-19 transmission.

Recommendation for Immediate Action	1. Install the grounding wire for all eligible chemical tanks, air compressor. 2. Keep at least one meter distancing during meeting, training and having foods at canteen during the lunch break. 3. Post the maximum occupancy at the entrance of meeting room to notice workers during attending the meeting and training. 4. Re-arrange the work position to reduce the number of workers in each room/area to minimize the risk of Covid-19 transmission.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	1. The factory does not establish safety operation procedure (SOP) for lead welding, polishing machine at mechanical room No.1 and the automatic printing machines at screen printing workshop. 2. There is no warning sign for forklift hazards at finished warehouse, no designated routes for forklift in the warehouse. The factory only provided warning sign for forklift hazards at the warehouse on the last assessment day.
Recommendation for Immediate Action	1. Establish the safety operation procedure for all machines to implement. 2. Post the warning sign for forklift, indicate the designated routes for forklift sufficiently and arrange a safe area for the forklift re-charging to minimize risk of battery explosion.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Law of Prakas 206/17, Article 8
Benchmark ID	HSE.30.2.6

Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	The Occupational Health and Safety risk assessment does not include safety hazards for heat transfer machine in sewing workshop, laser pointer in cutting tables at cutting workshop, drilling machine, sanding machine, polishing machine, lead welding machine at Maintenance Department. There is no risk assessment for heat fatigue and transmittable diseases in the factory.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The factory has not implemented the near-miss recording and reporting in line with the established policy and procedure for labor accidents and near-miss investigation. Near-miss refers to an unplanned event that did not result in injury, illness, or property or equipment damage - but had the potential to do so.
Recommendation for Immediate Action	Follow the near-miss recording and reporting policy and procedure.
Compliance Classifications	Immediate Action Required

Local Law	Nil
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	1. The factory does not provide the respirator or electric-proof gloves for 3 out of 3 generator operators. The factory provided these on the third assessment day. 2. The factory does not provide the safety gloves and goggles for 03 out of 03 mechanic staff in charge of lead welding and polishing jobs. 3. The factory does not provide workers with safety belt if working with high-platform such as ladder, moving stair, and human lift. 4. The factory provided metal gloves are not suitable for 01 out of 02 observed cutting operator at cutting workshop.
Recommendation for Immediate Action	1. Provide workers with proper PPE. 2. Equip the safety belt for ladder, moving stair, and human lift.
Compliance Classifications	Immediate Action Required
Local Law	The Prakas No. 125, Article 4
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	Four out of four workers operating string cutting machine at string cutting room do not wear earplugs while working. At least five out of ten cutting operators at cutting workshop do not wear earplugs while working. The factory provided workers with earplugs.

Recommendation for Immediate Action	Monitor workers to wear PPE properly during work and provide effective training.
Compliance Classifications	Immediate Action Required
Local Law	The Prakas No. 125, Article 4
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	There is no safety training conducted for workers working on high-platforms.
Recommendation for Immediate Action	Provide training for all worker who work on high-platforms.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	The factory does not provide back-support chairs for five pregnant workers. All provided chairs and tables in production workshops are non-adjustable.
Recommendation for Immediate Action	Provide the back-support chairs for pregnant workers and adjustable chair for other eligible workers.
Compliance Classifications	Immediate Action Required
Local Law	Nil

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.
Finding Details	1. Overtime hours exceed the legal limit of two hours per day. Time records for three sample months of October 2020, November 2020 and July 2021 indicate that the daily overtime exceeded two hours in October 2020 for three out of 46 sample workers, and in November 2020, four out of 46 sample workers, and in July 2021 for three out of 46 sample workers with a maximum of six overtime hours in one day in July 2021. 2. A total of 47 outsourced security guards are working onsite. However, the factory monitors their working hours with manual timesheets without time in and out data.
Recommendation for Immediate Action	1. Control daily overtime within the legal limit of two hours per day. 2. Record the exact time-in and time-out for all security guards working at the factory.
Compliance Classifications	Immediate Action Required
Local Law	Arbitration Council 10/04, effective from October 2004
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	Total working hours exceed 60 hours per week. Time records for three sample months of October 2020, November 2020 and July 2021 indicate that the weekly working hours of sample workers exceeded 60 hours in one to two weeks per month, in October 2020 for three out of 46 sample workers, in November 2020 for four out of 46, and in July 2021 for one out of 46, with a maximum of 68 hours per week in October 2020 and November 2020 respectively.

Recommendation for Immediate Action	Control total working hours to achieve full compliance with FLA Workplace Code of Conduct.
Compliance Classifications	Immediate Action Required
Local Law	Nil

Nondiscrimination (ND)

Benchmark ID	ND.3
Benchmark Details	Compensation includes the basic minimum or prevailing industry wage and fringe benefits arising out of the workers employment made directly or indirectly, whether in cash or in-kind, by the employers to the workers.
Finding Details	The child labor policy states that the factory only hires workers from 18 years old which limits the chance for employment of juvenile workers between ages 15 to 18.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil

