

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**03 Nov 2022**



## Factory Information

FLA Affiliates	Amer Sports
Country	Cambodia
Number of Workers	498

## 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

Child Labor (CL)	2
Compensation (C)	5
Employment Relationship (ER)	6
Health, Safety And Environment (HSE)	16
Hours Of Work (HOW)	2

## Assessment Information

Assessor	Openview - Vietnam
Assessment Date	03 Nov 2022

Assessment Purpose	
--------------------	--

## ASSESSMENT RESULTS

### Child Labor (CL)

Benchmark ID	CL.3
Benchmark Details	Employers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment, and shall keep documentation on-site for inspection at all times.
Finding Details	One young worker found joining factory on March 17, 2022. The factory has signed an employment contract with worker without consent of her parents or guardian as per legal requirement. There are no medical health check-up and registration records with local authority of the young worker provided for review on assessment dates. Note: That worker was 18 year-old since August 29, 2022. There is no other young worker observed during last 12 months.
Recommendation for Immediate Action	(1) Sign labor contract with the consent of worker parents or guardian as per legal requirement. (2) Keep health checkup records, register young workers with the local authority as per law. (3) Update the policy and procedure on young workers protection. (4) Assign the relevant staffs in charge of young worker monitoring.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law 1997, Article 172 & 178 & 179 & 181.
Benchmark ID	CL.8.1
Benchmark Details	Employers shall collect and maintain all documentation necessary to confirm and verify date of birth of all workers, such as birth certificates.

Finding Details	Although there is no signal that the worker is less than 18 years old and the worker confirm that he is more than 18 years old during the interview, one out of four selected outsourced workers (security guards) does not have personal profile in place for review. Therefore, age of this worker could not be verified with copies of official age document.
Recommendation for Immediate Action	(1) Maintain the personal profiles of all workers to ensure that all workers are above the age of 15 and provide these documents for review. (2) Assign the relevant staffs in charge of outsourced workers monitoring in the factory.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law 1997, Article 172 & 178 & 179 & 181.

## Compensation (C)

Benchmark ID	C.21.2
Benchmark Details	All benefits shall be calculated correctly
Finding Details	According to the policy and procedure on wage and benefit, the factory provides the bonus names "Position on Pay Scale Bonus" for workers/line leaders/supervisors based on the annual evaluation. The policy indicates that if the evaluation score is more than 85, workers/line leaders/supervisors are increased \$30/month for that bonus; if less than 85, management will consider based on the efforts of workers and situation of each department to decide the bonus. There is no detailed guidance established in place on how Position on Pay Scale Bonus provided when evaluation score is less than 85. These bonuses are currently paid based on the managers' decision which is in inconsistency with implementation. For instance, in May 2022, one sewing worker who has the evaluation with 59 is increased the Position on Pay Scale bonus with \$30/month while another sewing worker, who has the evaluation with 55 scores is only increased the Position on Pay Scale bonus with \$15/month.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
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	<p>(1)The factory does not have effective mechanism in place to monitor the abnormal cases of attendance records (such as missing time in or time out). For example, one selected sample worker has the time in at 11:46 am and time out at 01:30 pm indicated on the gate pass record on September 3, 2022. But there is no payment for this worker from 11:46 am to 1:30 pm on this day. Another selected sample worker has the time out at 07:40 am indicated on the gate pass record on September 5, 2022. However, the factory notes in the time attendance record that worker used the unpaid leave for whole day. (2) The factory does not have effective mechanism in place to monitor worker attendant and pay the overtime compensation sufficiently for workers. In September 2022, there were three out of 25 selected sample workers have the time in earlier than normal working hours (started at 6:22 am in the morning, and at 11:32 am in the afternoon) but they are not paid for those working time. Assessors also observe at least five workers started to work before normal working hours in the afternoon at 11:40 am at production workshop on the first assessment date November 3, 2022. Note: Production workers work in one shift from 7:00 am to 4:00 pm with 60 minutes for lunch break time from 11:00 am to 12:00 pm.</p>
Recommendation for Immediate Action	(1) Develop procedure to monitor abnormal cases of attendance to pay workers accurately. (2) Monitor and pay workers for working overtime as per local law.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law, Prakas No. 264/21, Article 1.

Benchmark ID	C.5
Benchmark Details	Contract/contingent/migrant/temporary workers shall: Receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher; Receive all legally mandated benefits; and Receive at least the same compensation as regular workers performing the same job functions or tasks with similar levels of experience or seniority.
Finding Details	There are four onsite outsourced security guards working in the factory (two outsourced security guards are working in dayshift and two outsourced security guards are working in nightshift). The normal working hours of these security guards are 12 hours per day from 6:00am to 6:00pm. There are no seniority allowance, special leaves, sick leaves, annual leaves provided to those security guards as per legal requirement.
Recommendation for Immediate Action	1. Ensure the seniority allowance, special leave, sick leaves and annual leaves for all workers working in the factory including outsourced workers. 2. Assign the relevant staffs in charge of onsite outsourced worker monitoring to follow the local laws.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law 1997, Prakas No. 264/21, Article 1.
Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	There are four onsite outsourced security guards working in the factory (two outsourced security guards are working in dayshift and two outsourced security guards are working in nightshift). The normal working hours of these security guards are 12 hours per day from 6:00 am to 6:00 pm from Monday to Saturday every week. However, there is no overtime compensation provided to those security guards as per legal requirement. Security guards confirm that they work at those time during the interview.



Recommendation for Immediate Action	(1) Ensure to pay the overtime compensation sufficiently for all workers working in the factory including outsourced workers. (2) Assign the relevant staffs in charge of onsite outsourced worker monitoring to follow the local laws.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law 1997, Article 139.
Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	Factory has not yet paid the medical check-up fees for 87 new workers who joined the factory since August 2022. Factory management states that they are in process of payment approval by Board of Management and would pay to those new workers shortly.
Recommendation for Immediate Action	(1) Ensure to pay the medical check-up fee to new workers as per legal requirement. (2) Assign the staffs in charge to monitor and pay the medical check-up fees to workers fully and timely.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law, Article 247; Prakas 09/94

## Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.



Finding Details	A grievance policy developed and updated on January 03, 2022 indicates that channels for grievance are face to face meeting (raising grievances/concerns to worker representative or union for workers) and suggestion boxes. Currently, factory tracks the records for those channels on weekly basic. However, there is no written procedure guidance on how to track the number, types, timing and resolution of grievances.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	The factory does not provide training or communication on policies and procedures to all four onsite outsourced security guards.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.

Finding Details	The factory does not provide specific training to relevant supervisors on FLA's Code elements and Employment functions on Recruitment, Hiring, Personnel Development, Compensation, Hours of work, Workplace Conduct and Discipline, Grievance systems, Environmental Protection, Termination and Retrenchment.
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	Factory does not have the job descriptions or detailed instructions to classify worker positions as skilled (i.e: sewing workers) and unskilled (i.e: helpers, cleaners) apply different probation and payment for workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil
Benchmark ID	ER.18.1

Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	The labor disciplinary procedures established on January 12, 2022 are not fully followed: 1. Only warning letters are kept in the disciplinary records, the evidences of the labor violations are not kept as per law required. 2. The labor disciplinary procedures issued on January 3, 2022 does not cover the timescales for each disciplinary measure and not included a statement of prohibition of monetary penalties as a form of disciplinary measure as per law required.
Recommendation for Immediate Action	(1) Review and ensure all disciplinary measure follow the disciplinary procedures. (2) Provide training to all relevant employees and workers on the disciplinary procedure. 3. Keep all records of labor disciplinary in files.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law 1997, Article 279.
Benchmark ID	ER.18.3.4
Benchmark Details	Records of disciplinary action must be maintained in the worker's personnel file.
Finding Details	The records of labor disciplinary actions are not maintained in workers' personnel files.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Nil

## Health, Safety And Environment (HSE)

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	One out of four emergency exit doors at warehouse building, two out of five emergency exit doors at production building are sliding door instead of opened outward emergency exit door.
Recommendation for Immediate Action	Ensure all emergency exit doors open in the direction of evacuation.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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	The fire alarms are not centralized. No fire alarm control panel is installed in the factory and smoke detectors are not linked with the fire alarm system.
Recommendation for Immediate Action	Ensure the emergency fire alarms, auto detectors are automatic and centralized.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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) Two rust remover bottles and one soldering liquid bottle at mechanic room are not in local language, they are in English, Chinese or Thai. (2) There is no label on main hazards accompanied with glue bottles at gluing area of production workshop.
Recommendation for Immediate Action	Ensure to provide chemical labels in local language and post labels of main hazards for all chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law Arts 23, 228-230
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	There is no soap, hands sanitizer, toilet tissue nor drying facilities in toilet areas.
Recommendation for Immediate Action	Ensure to provide soap, hands sanitizer, toilet tissue, drying facilities in the toilet areas for workers.
Compliance Classifications	Immediate Action Required
Local Law	Prakas 052/00; AC Awards 31/12(6), 34/12(4)
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	There is no heat stress management procedure or assessment for the areas and operations with thermal comfort problems such as air compressor, generator house, thermal band cutting, staffs working outdoor.
Recommendation for Immediate Action	Nil
Compliance Classifications	Sustainable Improvement Required
Local Law	Prakas 053/00; Labor Law Arts 23, 228-230
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	(1) There is no convex mirror at blunt ends of intersection roads within factory premises to help workers proactively check vehicles on other sides of the road. There are no markings for vehicle traffic lanes and pedestrian walk paths in the factory compound for traffic safety. In addition, there is no warning sign for forklift hazards, no designated forklift travelling routes at materials warehouse and finished warehouse. (2) Two observed portable ladders at packaging warehouse and maintenance department are not in good working condition. There are no safety locking mechanisms to secure these ladders when being used. (3) Eyelet snapping machines do not have safety mechanism to minimize the risk of pinch point hazard when operating the machines. (4) The factory has established a LOTO (Lockout and Tagout) program for equipment and machines. However, the factory does not have LOTO devices to control hazardous energy. In addition, there is no air valve lockout device, high pressure water valve lockout devices for maintenance of air compressed system, high pressure water pipes.
Recommendation for Immediate Action	(1) Ensure all portable ladders are in good working condition with proper safety mechanisms. (2) Ensure to install safety mechanism for eyelet snapping machines. (3) Use proper LOTO devices for machines, equipment that must be locked and tagged during maintenance or repair.

Compliance Classifications	Immediate Action Required
Local Law	1. Nil 2. Labor Law Arts 23, 228-230 3. Labor Law Arts 23, 228-230; Cambodia Law of Prakas 206/17 4. Labor Law Arts 23, 228-230; Cambodia Law of Prakas 206/17
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	The factory has eyewash facilities but the factory does not have emergency showers at chemical storage warehouse as per legal requirement.
Recommendation for Immediate Action	Ensure to install emergency showers at the chemical storage warehouse for workers to use in emergency cases.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law Arts 23, 228-230
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 air emissions permit for power generator has expired since Aug 11, 2022. The factory started renewing process since Oct 18, 2022, but the factory has not obtained new air emissions permit. (2) The factory has obtained building construction permit, opening construction letter. However, the factory has not obtained building completion letter (site closing letter) to confirm the buildings had been constructed in accordance with the building permit.
Recommendation for Immediate Action	(1) Ensure to renew air emissions permit in timely manner. (2) Ensure to obtain building completion letters from local authority.
Compliance Classifications	Immediate Action Required
Local Law	1. Sub-Decree No. 42 ANRK.BK on Air Pollution Control and Noise Disturbance, Art. 13-16 2. Sub Degree 86 Building Construction permit 1997 and 4. Prakas 177 on Occupancy Certificate issued on 06 Dec 2019
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) There is no control device (such as filter) for air emissions from power generator. (2) The factory does not conduct air emissions test for air emissions from power generators. (3) The factory neither has ACM (asbestos contaminated materials) management procedure, nor take proper steps to ensure that workers are not exposed to asbestos. There is no assessment to identify asbestos suspected materials (e.g., insulation materials, construction materials). In addition, there is no test report to prove compliance for these asbestos suspected materials.
Recommendation for Immediate Action	Ensure to conduct air emissions test for air emissions from power generators.
Compliance Classifications	Immediate Action Required

Local Law	1. Sub-Decree No. 42 ANRK.BK on Air Pollution Control and Noise Disturbance, Art. 22-24 2. Sub-Decree No. 42 ANRK.BK on Air Pollution Control and Noise Disturbance, Art. 22-24
Benchmark ID	HSE.28
Benchmark Details	Employers shall create a system to ensure that all necessary Health and Safety protections are provided for external contractors; including protection when working within , confined spaces, maintenance issues, and general Health and Safety Issues.
Finding Details	There is no contractor safety management procedure. The factory does not provide safety information, conduct safety inspection, and issue work permit to onsite contractors when they work in the factory.
Recommendation for Immediate Action	Nil
Compliance Classifications	Sustainable Improvement 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	The factory has posted hazard warning signs, but there is no standard operating procedures, safety instructions for all observed cutting machines, sewing machines, eyelet snapping machines at production workshops.
Recommendation for Immediate Action	Nil
Compliance Classifications	Sustainable Improvement Required
Local Law	Cambodia Law of Prakas 206/17, Art. 8

Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	(1) There is no danger sign and authorized access sign for confined spaces. Additionally, no locks are provided to prevent unauthorized entry in confined spaces such as cover case of power generator and sewer tanks. (2) No safe operating procedure is in place for working in confined spaces to ensure safe atmosphere, keep rescue equipment ready and providing training for supervisors. (3) There is no fall hazard warning sign, authorized access sign and no fall protection (walls, fences, or other barriers) for high platforms such as loading docks.
Recommendation for Immediate Action	(1) Post danger and authorized access signs for confined spaces. (2) Develop safety procedure for confined space work to follow. (3) Ensure to post fall hazard warning sign, authorized access sign, install fall protection (walls, fences, or other barriers) for high platforms at loading bay.
Compliance Classifications	Immediate Action Required
Local Law	1. Labor Law Arts 23, 228-230; Cambodia Law of Prakas 206/17, Art. 8 2. Labor Law Arts 23, 228-230; Cambodia Law of Prakas 176/13, Art. 5 3. Labor Law Arts 23, 228-230; Cambodia Law of Prakas 206/17, Art. 8
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	There is no MSDS (Material Safety Data Sheet) for spray paint (KOB) at paint spraying area, no MSDS for rust remover (DJW-80) at mechanic room.

Recommendation for Immediate Action	Ensure to post SDS in the workplace for all chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law Arts 23, 228-230
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 OHS (occupational health and safety) risk assessment does not cover confined spaces, lead soldering and board cutting machine at mechanic room. There is no risk assessment for transmittable diseases (bloodborne pathogens) throughout the factory.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Cambodia Law of Prakas 176/13 Art. 5
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	(1) Five out of ten observed workers who operate eyelet snapping machines do not wear earplugs when working in noise disturbance condition (over 80 dBA) as required by law. (2) There is no formal health and safety training including PPE (Personal Protective Equipment) training to workers. The factory just provides general health and safety training to line leaders and maintenance staff semi-annual basis (30 minutes per training). Then the line leaders provide verbal communication to line members on health and safety .
Recommendation for Immediate Action	(1) Ensure workers wear earplugs when working in noise disturbance condition (over 80 dBA). (2) Provide formal health and safety training including PPE training to all workers.
Compliance Classifications	Immediate Action Required
Local Law	1. Sub-Decree No. 42 ANRK.BK on Air Pollution Control and Noise Disturbance, Annex 7. 2. Cambodia Law of Prakas 176/13 Art. 6
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 take proactive steps to reduce repetitive-motion stress or injuries (breaks, adjustable workstations). In particular, the factory does not have backrest chairs for prolonged seated jobs.
Recommendation for Immediate Action	Ensure to provide backrest chair for prolonged seating jobs, ergonomic short breaks for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Prakas 053/00; Labor Law Arts 23, 228-230

## Hours Of Work (HOW)

Benchmark ID	HOW.22.3
Benchmark Details	Time worked by all workers, regardless of wage system, shall be fully documented by time cards or other mechanical or electronic recording systems.
Finding Details	The factory does not have verifiable time recording system for onsite security guards. The factory is using the manual records for all four outsourced security guards working onsite in the factory. Their working hours are recorded manually by Security Guard Leaders with the symbol "V" meaning working day and "X" meaning unpaid leave. No detailed time in/time out and signature of workers on those time sheets.
Recommendation for Immediate Action	(1) Have a reliable and verifiable time record system in place for all workers including outsourced workers. (2) Keep and monitor the attendance records of all workers in place for review.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	HOW.2
Benchmark Details	Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.
Finding Details	There are four onsite outsourced security guards working in the factory (two outsourced security guards are working in dayshift and two outsourced security guards are working in nightshift). The normal working hours of these security guards are 12 hours per day from 6:00 am to 6:00 pm. All these four security guards are not provided one day off in every seven -day period. The most consecutive working day is 31 days in August 2022 (from August 1 to August 31, 2022).

Recommendation for Immediate Action	(1) Ensure that all workers working in the factory including outsourced workers get at least one full day (24 hours) off per week. (2) Assign the relevant staffs in charge of onsite outsourced worker monitoring to follow the local laws.
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labor Law 1997, Article 146 - 148.

