

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**16 Aug 2023**



## Factory Information

FLA Affiliates	Hanesbrands
Country	Cambodia
Number of Workers	2548

## 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)	2
Employment Relationship (ER)	11
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	11
Hours Of Work (HOW)	5

## Assessment Information

Assessor	Openview - Vietnam
Assessment Date	16 Aug 2023

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

## ASSESSMENT RESULTS

### Compensation (C)

Benchmark ID	C.12.1
Benchmark Details	All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.
Finding Details	1. The factory pays new workers their medical check-up fees 1 to 2 months after they pass their probation period, which lasts 2 months. For example, two sampled workers joined the factory on July 4, 2022 and July 18, 2022. Their fees were paid on November 5, 2022. Per local law, these fees should be paid within the first month of employment. 2. Ten outsourced security guards work at the factory. However, there were no NSSF payment records, annual leave records, sick leave records, or special leave records for these guards available for review. Interviews with the security guards confirmed that their employer does not provide NSSF payments, annual leave, sick leave, or special leave.
Recommendation for Immediate Action	1. Pay the medical check-up fee to all new workers within the first month of hiring, as per legal requirement; 2. Ensure that security guards are paid for all legal benefits for outsourced workers and maintain the payment records on site.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	C.18.1
Benchmark Details	Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.

Finding Details	The assessment found that workers' payment for overtime hours worked after 18:15 in July 2023 (July 6, 2023; July 14, 2023; July 18, 2023; and July 21, 2023) are recorded in separate payroll records and are paid by cash, while other wages and benefits are paid by bank transfer. The records of these cash payments were provided for review after auditors raised this issue.
Recommendation for Immediate Action	Ensure that workers are paid for all hours of work according to local laws and Code requirements. Maintain accurate and complete payroll records, using only one set of records.
Compliance Classifications	Immediate Action Required
Local Law	

### Employment Relationship (ER)

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 any ongoing training to workers on the FLA Code elements and Employment Functions or on the FLA member company's code of conduct.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 training for supervisors on the FLA Code elements and Employment Functions or on the FLA member company's code of conduct.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 has not developed a written procedure to handle cases of discrimination in the factory, including steps to discipline those responsible for violating the discrimination policy. 2. The factory has not developed a written procedure to handle cases of forced labor in the factory, including steps to discipline those responsible for violating the forced labor policy. 3. The factory has not developed a written procedure to handle cases of child labor found in the factory, including steps to discipline those responsible for violating the child labor policy. 4. The factory has not developed a written policy or procedure to govern all aspects of Retrenchment. The factory does have a written policy and procedure on Termination. 5. The factory does not have a monitoring procedure to ensure that onsite contracted workers are paid all legally-required benefits.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
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 factory's policy and procedure on labor discipline, issued on October 20, 2021, do not cover the steps and timeline for each disciplinary measure.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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	The factory has not developed a written policy and procedure on personnel development to encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
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	The factory has issued a written policy and procedure on performance reviews, dated January 2, 2023. However, that policy and procedure do not include linkages to job grading, a non-discrimination statement, or steps to seek feedback and agreement/disagreement from employees in writing.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	The factory has not developed a policy and procedure for promotion and demotion.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	The factory has posted the FLA Code elements in the workshop. However, interviews revealed that workers do not know where the FLA Code is posted or its contents.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.1
Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	The orientation training for new workers does not cover key topics from the FLA Code elements and Employment Functions, including Non-discrimination; Harassment or Abuse; Forced labor; Child labor; Freedom of Association and Collective Bargaining; Environmental Protection; and Industrial Relations.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
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	Workers are not consulted or integrated into the decision-making process for decisions impacting their workplace and working conditions. Policies and procedures are established by the social compliance team, HR team, and HSE team with very limited or no consultation or integration from workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 save records of disciplinary actions in the workers' personnel files. Disciplinary records are maintained in a separate area at the HR Department.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Harassment Or Abuse (H/A)

Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The factory has not developed a written procedure to investigate harassment and abuse according to a specific timeline. The factory also has not developed a system to discipline supervisors, managers, and workers who engage in any form of harassment or abuse.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Health, Safety And Environment (HSE)

Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	The established environmental procedures do not include the factory's approach minimizing the environmental impacts of hazardous wastes and chemical tanks.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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. The yellow lines and direction arrows to mark the evacuation routes are faded and not clearly marked in 4 observed aisles at the Material Warehouse & Finished Goods Warehouse. 2. There are no evacuation floor markings for the exit aisles at the Washing workshop. 3. The locations of fire alarm buttons are not marked in all evacuation maps at the factory.
Recommendation for Immediate Action	1-2. Ensure that all emergency exit aisles are clearly marked; 3. Mark the locations of all fire alarm buttons in all evacuation maps at the factory.
Compliance Classifications	Immediate Action Required
Local Law	
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. There is no fire alarm button installed at the Washing Workshop (total 500 square meters), the motorbike parking lot (total 3,610 square meters), and eating area #1 (total 1,486 square meters). 2. No fire detector is installed at the chemical storage area (total 20 square meters, storing machine oil and gasoline fragrance oil) and the oil storage room (total 30 square meters storing oil, air compressor oil).
Recommendation for Immediate Action	1. Install fire alarm buttons for the washing workshop, motorbike parking lot, and eating areas. 2. Install fire detectors where chemicals are stored.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	The assessment observed 10 evacuation routes at Workshop #1 and Workshop #2 (four at the Sewing section of Workshop #1, two at the Cutting section of Workshop #1, one at the Packing section of Workshop #2, and three at the Sewing section of Workshop #3) partially obstructed by metal pillars, worker's chairs, and materiel.
Recommendation for Immediate Action	Ensure all evacuation routes and aisles are clearly marked and kept free from any obstruction.
Compliance Classifications	Immediate Action Required
Local Law	
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 sanitary way for workers to dry their hands after washing them at the toilets.
Recommendation for Immediate Action	Provide facilities for workers to dry their hands after washing them at the toilet areas.
Compliance Classifications	Immediate Action Required
Local Law	
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 assessment observed 3 electrical wires connected to fans (2 at the packing section of Workshop #2 and 1 at the packing section of Workshop #1) that were exposed and fixed with tape.
Recommendation for Immediate Action	Check electrical wires and replace those are not in good condition.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.

Finding Details	1. There are no warning signs for forklift hazards or designated forklift travel routes at the materials warehouse. 2. The factory has not implemented any LOTO (Lockout and Tagout) program for equipment and machines requiring LOTO during repair/maintenance. The factory does not have LOTO devices to control hazardous energy.
Recommendation for Immediate Action	1. Post warning signs for forklift hazards and designated forklift travel routes at the materials warehouse. 2. Use proper LOTO devices for machines, equipment that must be locked and tagged during maintenance or repair.
Compliance Classifications	Immediate Action Required
Local Law	
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	There is no eyewash station installed at the maintenance rooms of Workshop#1, Workshop#2, or Workshop #3. Chemicals (Loose Rust Lubricant, Machine Oil) are used and stored at these areas.
Recommendation for Immediate Action	Install eye-wash stations at the areas where workers handle chemicals.
Compliance Classifications	Immediate Action Required
Local Law	
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	The factory provided the building construction permits for review during the assessment. However, there was no opening construction permit, closing construction permit, or certificate of occupancy available for review during the assessment. All three documents are required by local law.
Recommendation for Immediate Action	Acquire all required permits for all buildings and keep them available for review.
Compliance Classifications	Immediate Action Required
Local Law	
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 assessment noted that 12 out of 45 sampled workers were not provided with a medical check-up upon hire, as is required by law. 2. The factory has not conducted an assessment to identify materials potentially containing asbestos (e.g., insulation materials, construction materials), nor are there test reports on file to prove that materials are asbestos-free.
Recommendation for Immediate Action	1. Ensure all employees undergo medical check-up before commencement as per law.
Compliance Classifications	Immediate Action Required
Local Law	

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. Although the facility provides cloth facemasks for workers to protect from fabric dust, the assessment observed that about 60% of workers at the Sewing, Packing, Folding, Ironing, and Inspecting sections and at the Material Warehouse do not wear facemasks while working. 2. The assessment noted that about 50% of the workers at the Folding, Inspection, and Ironing sections do not stand on the provided anti-fatigue mats while working, although these jobs require prolonged standing. 3. The assessment observed 2 forklift operators who were not wearing seat belts, helmets, or safety shoes while operating the forklifts in the Material Warehouse.
Recommendation for Immediate Action	Provide all necessary PPE and monitor workers to use the PPE properly and sufficiently while working.
Compliance Classifications	Immediate Action Required
Local Law	

## 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. The assessment found that 4 out of 45 sampled workers worked for 12 consecutive hours in a day on July 5, 2023 in the washing section. Local law states that daily working hours shall not exceed ten hours, including eight regular working hours and two overtime hours. 2. There is no mechanical time-keeping system to record the exact time-in and time-out of the 10 outsourced security guards. Management interviews indicated that these workers' hours are recorded manually by their supervisors. The factory provided general attendance records of these workers for review. These records have the workers' signature but no daily time-in and time-out.
Recommendation for Immediate Action	1. Control and record the daily working hours of all workers within the legal limit of 10 hours per day. 2. Install a mechanical system to record the exact working hours of all workers, including the subcontracted workers.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HOW.22.4
Benchmark Details	Employers shall not maintain multiple time-keeping systems and/or records.
Finding Details	The factory's fingerprint timekeeping system is only used to record regular working hours and overtime hours from 16:15 to 18:15. Excessive overtime after 18:15 on normal work days and work performed on the weekly rest day (Sunday) is recorded manually by supervisors.
Recommendation for Immediate Action	Record all working hours (regular and overtime) completely and accurately using a single automatic recording system.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HOW.22.5

Benchmark Details	Time records maintained shall be authentic and accurate.
Finding Details	<p>The assessment noted inconsistencies between the provided time records, security guard logbooks, CCTV data, manual overtime records (see finding HOW.22.3) and attendance records checked in the factory's working hour monitoring system: (1) The provided time record of the 1st sampled worker showed time out at 16:12 on February 15, 2023. The security logbook at the main gate shows that the worker has time out at 15:23. (2) The provided time record of the 2nd sampled worker showed time out at 11:34 on February 17, 2023. The security logbook at the main gate shows that the worker has time out at 13:00. (3) The provided time record of the 3rd sampled worker showed time in at 7:18 and time out at 16:23 on January 19, 2023. The security logbook shows that the worker has time in at 7:30 and time out at 13:59. (4) The provided time record of the 4th sampled worker showed time in at 7:26 and time out at 16:16 on January 24, 2023. The security logbook shows that worker has time in at 7:30 and time out at 12:57. (5) The provided time record and the manual overtime record of the 5th sampled worker (washing section) shows that worker worked overtime from 16:15 to 18:15 on June 29, 2023 and on July 5, 2023. Meanwhile, CCTV recorded data shows that washing workers did not work overtime on June 29, 2023. The CCTV shows that the section did work overtime on July 5, 2023, but from 16:15 to 20:10. Factory management explained that the discrepancy between the provided time record and the security logbook at the main gate stems from workers taking leave and then coming back to work without noting it in the logbook. Interviewed workers, however, stated that they did not come back to work after leaving on those days in January 2023 and February 2023. Factory management explained that the discrepancy between the provided time records and the CCTV recorded images stems from the fact that the fingerprint system is not used to record the overtime hours after 18:15. Factory management explained that excessive daily overtime hours after 18:15 would be recorded as normal overtime hours on another day when workers did not work overtime. As a result of these findings, the factory's compliance status for working hours, overtime hours, minimum wage, and overtime wage could not be verified.</p>
Recommendation for Immediate Action	Record all normal and overtime working hours completely and accurately. Pay workers correctly based on the local law for all hours worked.

Compliance Classifications	Immediate Action Required
Local Law	
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 fingerprint system is only used to record the regular working hours and the overtime hours from 16:15 to 18:15. The excessive overtime after 18:15 on the normal workweek and weekly rest day work (Sundays) are recorded manual by supervisors but not by the mechanical or electronic recording system which allow workers to record by themselves.
Recommendation for Immediate Action	Review and ensure to record working hours and overtime of worker completely and accurately by workers using mechanical or electronic working time recording system.
Compliance Classifications	Immediate Action Required
Local Law	
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	The assessment sampled time/attendance records from August 2022 to August 15, 2023 and noted: - In July 2023 (current month), six out of 45 sampled selected workers (sewing, washing, ironing, packing, and warehouse) had worked one Sunday in that month. The most continuous working days without rest was 13 days. - In May 2023 (sampled month): seven out of 45 sampled workers (cutting, sewing, inspection, and ironing section) had worked one or two Sundays per month. The most continuous working days without rest was 13 days. - In November 2022 (sampled month): No violation of weekly rest day observed.
Recommendation for Immediate Action	Control working hours to ensure at least 24 consecutive hours of rest in every seven-day period for all workers.
Compliance Classifications	Immediate Action Required
Local Law	

