

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

01 Jul 2024



Factory Information

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| FLA Affiliates | Amer Sports,Lululemon Athletica Inc. |
| Country | Cambodia |
| Number of Workers | 5984 |

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

| FLA Code Element | Number of Violations |
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| Compensation (C) | 6 |
| Employment Relationship (ER) | 6 |
| Freedom Of Association And Collective Bargaining (FOA) | 1 |
| Harassment Or Abuse (H/A) | 2 |
| Health, Safety And Environment (HSE) | 11 |
| Hours Of Work (HOW) | 4 |

Assessment Information

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| Assessor | Openview - Vietnam |
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| Assessment Date | 01 Jul 2024 |
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| Assessment Purpose | |
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ASSESSMENT RESULTS

Compensation (C)

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| 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 | The factory develops monthly performance bonus policy with the criteria stated in policy No. 19 No. SAA-HR-014 Performance Evaluation Policy issued on December 26, 2020 (latest updated on January 01, 2024). However, the implementation is not following the developed policy. For instance, one sample selected worker who gets a total of 77 scores and paid 29 USD for monthly performance bonus, while another selected worker with higher score of 82 scores was only paid 10 USD for monthly performance bonus. There was no other document to provide to review for the differences. |
| Recommendation for Immediate Action | Pay the correct bonus for all workers fairly and clearly, based on the developed policy and procedure. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |
| Benchmark ID | C.1.1 |
| Benchmark Details | Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers. |

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| Finding Details | The factory contracts 79 outsourced security guards from a service provider. However, there are 66 out of 79 security workers do not receive social insurance (National Social Security Fund) contributions as per law. Only 13 out of 79 outsourced security guards are paid for the social insurance on May 14, 2024 and they are paid for the monthly fee of April 2024 only. In addition, no evidence is provided to prove that all 79 contracted security guards are paid social insurance (National Social Security Fund) for May 2024. |
| Recommendation for Immediate Action | Contribute social insurance (National Social Security Fund) for all security workers as per law requirements. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Prakas No: 168/22 K.B/Br.K.B.S.S. On Formalities and Procedures for Registration of Enterprises/Establishments, Workers/Employees and Contribution Payment for Persons Defined by the Provisions of the Labour Law in National Social Security Fund dated July 5, 2022. Article 11; Inter-ministerial Prakas No: 165/22 K.B/Br.K.B.S.S on Implementation of Social Security Scheme on Pension for Persons Defined by the Provisions of the Labour Law, Article 2. |
| 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 | Though the factory management confirmed that there were no workers who worked on Sunday, the assessors observed 5 people working in the sewing workshop (Building No.2) on Sunday, June 16, 2024, by checking the CCTV data. The factory management later explained that those 5 people were workers from the subcontractor, marking the emergency exit aisles on the floors of the sewing workshop. The assessors checked with the security guards, and it was reported that there were no subcontractor workers working on Sundays in the last 12 months, including June 16, 2024. There was also no record of subcontractor work provided for review. The interview with the relevant OHS team revealed that the factory maintenance workers marked the emergency exit aisles. |

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| Recommendation for Immediate Action | 1) Keep accurate and consistent data among documents, records, and CCTV systems. 2) Pay workers for all hours work as per legal requirement including normal working hours and overtime. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |
| 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 | The payment of service outsourced workers is not correct, 39 out of 54 canteen workers who are contracted by a service provider are paid only USD165-200 per month, which is lower than the local minimum wage (USD204) per month; 73 out of 79 security guards who are contracted by a service provider are paid only USD190-195 per month, which is lower than the local minimum wage (USD204) per month. |
| Recommendation for Immediate Action | Pay wages and benefits for onsite service subcontractors' workers sufficiently including ensure to pay the minimum wages. |
| Compliance Classifications | Immediate Action Required |
| Local Law | The Labour Law 1997, Article 104; Prakas No. 283/23 KB/Br.K.Kh.L on Determination of Minimum Wage for Workers/Employees in the Textile, Garment, Footwear, Travel Goods and Bag Industries for 2024, Article 2; Instruction No. 001/14 KB/SNN on Implementation of Prakas No. 317 K.B/Br.K dated 31 December 2013 on Minimum Wage Increase for Workers/Employees in the Textile, Garment and Footwear Industries and the Provision of Benefits, dated 02 January 2014 by Ministry of Labour and Vocational Training. |
| Benchmark ID | C.21.1 |

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| 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 | 1) The factory does not pay the final payouts for workers who quit the jobs within 48 hours from the employment contract termination date, all 11 workers who quit the jobs without notice within the assessment scope were not paid for the last wage and benefit compensation within 48 hours after the employment contract termination as per laws. For example, one sample selected worker's labor contract was terminated on May 30, 2024. However, this worker was not paid the final payouts until the assessment date. 2) Despite the legal requirement, no attendance bonus, transportation allowance, housing allowance, or seniority bonus was paid to all 54 outsourced canteen workers and 79 outsourced security guards. |
| Recommendation for Immediate Action | 1) Pay the final payouts for abundant workers within 48 hours as per law requirements. 2) Pay wages and benefits for onsite service outsourced workers sufficiently as per laws. |
| Compliance Classifications | Immediate Action Required |
| Local Law | 1) The Labor Law 1997, Article 116 2) The Labour Law Article 10, NOTICE 230/12 |
| Benchmark ID | C.3.1.3 |
| Benchmark Details | Where probationary employment is legally allowed, no workers shall work more than three months in this employment category. |
| Finding Details | Packaging workers are required to have two months probation while they are not technical/skillful workers. Based on the local law the unskillful workers are only required to have one (01) month of probation. |
| Recommendation for Immediate Action | Apply one month probationary for unskillful workers as required by the local laws. |
| Compliance Classifications | Immediate Action Required |

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| Local Law | The Labor Law, Article 68 |
| 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 has not yet sufficiently provided the ongoing training related to FLA’s Code Elements and FLA’s employment functions for workers. From document review and confirmation from the factory management, it is noted only 206 out of approximately 5,800 workers were provided training on June 29, 2024 related to FLA Code. |
| 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 has not yet sufficiently provided the specific training for supervisors related to FLA’s Code Elements and FLA’s employment functions for supervisors. From document review and confirmation from the factory management, it is noted only 71 out of 121 production line leaders, supervisors were provided training on FLA Code on June 29, 2024. |

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| 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. |

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| <p>Finding Details</p> | <p>1) The factory recruitment and hiring policy No. SAA-HR-004 (latest updated on Jan 01, 2024) states that “the work age shall be from 18 years old for general work or from 16 years old for specific job”. However, there is no definition on which jobs are defined as general work and or specific work in order to apply for the established policy while the local laws allow workers from 15 years old to apply for a jobs. From interviews, recruitment staffs did not understand or know the types of specific work and general work as the policy statement. 2) The factory has established Non-discrimination and fair treatment policy with document No. SAA-HR-018 (latest updated on January 01, 2024). However, this policy does not include the statement of Non-discrimination on the basis of sexual orientation. The factory has not developed procedure to discipline the manager, supervisor, and workers who are against the established non-discrimination policy. 3) Though the restriction of movement are not observed or reported, the policy to prohibit any kind of movement restriction/ freedom of movement within the factory premises, such as movement in canteen, during breaks, using toilets, accessing to drinking water, or accessing necessary medical attention has not been officially developed yet, to prevent any risk of restriction of movement in the factory. 4) The factory has not developed policy and procedure for Retrenchment. 5) The factory has developed an organizational chart for the Human resources department. However, the job responsibility is not assigned completely. For example: one staff is appointed employee in charge of Hiring & Recruitment. However, job description of this Hiring &Recruitment staff shows that it does not include recruitment-related tasks. The Human resources manager later shared that the factory has just transferred this employee to handle the tasks and has not updated the job description on time.</p> |
| <p>Recommendation for Immediate Action</p> | |
| <p>Compliance Classifications</p> | <p>Sustainable Improvement Required</p> |
| <p>Local Law</p> | |
| <p>Benchmark ID</p> | <p>ER.8</p> |

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| 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 policy for Personnel career development generally states some criteria such as quality of work and performance. Qualifications (academic, professional and technical knowledge) and Broaden Experiences (job knowledge and technic, personal attributes and working attitude for the promotion. However, there is no specific procedure with related steps in place to guide on how to review and select the candidates for promotion, scores for the established criteria, who are responsible for each corresponding steps. In practice, the factory uses a template which is normally filled by the department manager, but not following the developed policy. |
| 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 conduct an effective investigation or keep records for labor discipline. The disciplinary reports indicate that a sample-selected worker submitted fake/falsified hospital records to apply for sick leave on January 29, 2024, and the factory did not accept the submission and changed the status of leave from sick leave to personal leave on January 29, 2024 without payment. However, the factory did not maintain any relevant records or investigation documents to demonstrate how the falsified worker records were checked, which led to the rejection of the sick leave application and the application of labor discipline. |

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| Recommendation for Immediate Action | Ensure to investigate and prove the faults of worker during the disciplinary process. Keep all records related to disciplinary records in place for review, following local laws. |
| Compliance Classifications | Immediate Action Required |
| Local Law | The Labor Law Arts 26, 27, 28; AC Awards 27/03, 193/12. |
| Benchmark ID | ER.18.4 |
| Benchmark Details | The disciplinary system shall include a third party witness during imposition, and an appeal process. |
| Finding Details | The disciplinary policy and procedures do not include terms that state workers' ability to have a third-party witness during the imposition of disciplinary actions. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |

Freedom Of Association And Collective Bargaining (FOA)

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| Benchmark ID | FOA.1.1 |
| Benchmark Details | Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard. |

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| Finding Details | The procedures for Freedom of Association such as procedure for workers representative election, worker representative regular meeting, and communication channel implementation have not been developed to ensure the effective implementation for Freedom of Association policy. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |

Harassment Or Abuse (H/A)

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| Benchmark ID | H/A.10.1.2 |
| Benchmark Details | Body searches and physical pat downs shall only be undertaken when there is a specific, legitimate reason to do so and upon consent of workers, unless a state official with the power to do so (e.g. police officer) has ordered the search. |
| Finding Details | While the established policy mentions that pat-down is only applied in some special cases rather than as general practice, the factory conducts the pat-down as general practice at the production workshop. It is observed via CCTV data that the security workers conduct the pat-down with both male and female workers when workers leave the production workshop in public areas. There was no same gender consideration for the pat-down practice. |
| Recommendation for Immediate Action | Review the policy and only conduct the pat-down only for specific cases with private protection and following the policy of non-harassment and abuse. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |
| Benchmark ID | H/A.10.1.3 |

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| 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 | While the established policy mentions that pat-down is only applied in some special cases rather than as general practice, the factory conducts the pat-down as general practice at the production workshop. It is observed via CCTV data that the security workers conduct the pat-down with both male and female workers when workers leave the production workshop in public areas. There was no same gender consideration for the pat-down practice. |
| Recommendation for Immediate Action | Review the policy and only conduct the pat-down only for specific cases with private protection and following the policy of non-harassment and abuse. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |

Health, Safety And Environment (HSE)

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| 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 | 1) The factory's firefighting team, consisting of 65 members, had not received proper training for using fire pumps in emergencies. Only two Chinese operators were trained by the manufacturer in 2014 for the fire pump system and again in 2020 for the backup system. These operators subsequently trained three additional Chinese maintenance team members. However, none of these five operators are assigned to night shifts. 2) First aiders' information is posted on the first aid boxes for emergency responses. However, upon randomly checking two first aiders from the list, it was found that their training certificates had expired on January 9th, 2024. |

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| Recommendation for Immediate Action | 1) Provided training for the firefighting team members sufficiently to be ready for the emergency response. 2) Provide the training for all first aiders to be ready for the emergency cases. |
| Compliance Classifications | Immediate Action Required |
| Local Law | 1) Sub-Decree on Requirements and Measures on Fire Prevention and Firefighting Royal Government on August 18, 2017, Article 9. 2) Labor Law, Article 229 |
| 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 | The factory's emergency exits are not fire-resistant smoke-sealed doors. |
| Recommendation for Immediate Action | Ensure all emergency exits are fire-resistant smoke-sealed doors. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |
| 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 smoke detectors installed in the dormitory building, accessory warehouse, and finished goods warehouse (Building No.5) were not centralized. They were not linked to each other or linked to the fire alarm control panels. |

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| Recommendation for Immediate Action | Install fire detectors for all eligible buildings and centralize all fire detectors. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Sub-Decree on Requirements and Measures on Fire Prevention and Firefighting Royal Government on August 18, 2017, Article 9. |
| Benchmark ID | HSE.2 |
| Benchmark Details | All documents required to be available to workers and management by applicable laws (e.g. health and safety policies, MSDS, environmental emergency plans) shall be made available in the prescribed manner and in the local language or language spoken by the workers, if different from the local language. |
| Finding Details | 1) There is no valid Fire Safety License in place for the assessor to review during the assessment, the latest Fire Safety License expired on June 29, 2024. The factory management explained that they submitted the application to renew the license to the local authority on June 14, 2024, and are currently awaiting the inspection results and renewal of the inspection certificate. 2) There is no official EIA (Environmental Impact Assessment) obtained from the local authority as per legal requirements. The factory management explained that the factory is in the process of working with the local authority to obtain the official EIA, but the estimation time of completion is not provided. |
| Recommendation for Immediate Action | 1) Renew the Fire Safety License as per legal requirements. 2) Work with relevant parties to obtain the official EIA (Environmental Impact Assessment) as per law requirements. |
| Compliance Classifications | Immediate Action Required |
| Local Law | 1) Sub-decree No. 226 dated 30 December 2020 on Conditions and Procedures for Issuance, Suspension, and Revocation of Occupancy Certificate, Article 24. 2) Sub-decree 72 OrNkr.BK dated 11 August 1999 on Environmental Impact Assessment and other regulations, and Prakas On 021 Br. K Classification of Environmental Impact Assessment for Development Project. |

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| 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 electric wires at the main office building are installed without secondary safety covers. They are stuck on the metal pipes used for water fire-fighting, which may cause electric shock when the fire hose reels are used. |
| Recommendation for Immediate Action | Install the secondary safety cover for electrical wires or isolate the electrical wire from the metal fire water pump to avoid electrical shock hazards. |
| Compliance Classifications | Immediate Action Required |
| Local Law | The Labor Law 1997, Article 230 |
| Benchmark ID | HSE.14.1 |
| Benchmark Details | All production machinery, equipment and tools shall be properly guarded and regularly maintained. |

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| <p>Finding Details</p> | <p>1) The right-left turn signal light of one (1) out of three (3) observed forklifts, the horns of two (2) out of three (3) observed forklifts are not functional. The seat belt of one (1) out of three (3) observed forklifts is not in place to use, two (2) out of three (3) observed forklifts are added the fabric for sunshade, which leading to limit overhead visibility when operators lift the products and material on the high racks. 2) All two (2) safety doors of conveyors for moving goods at Building No.4 are not used with installed safety guards while not operating as per required. 3) All three (3) observed cargo elevators at the production workshops (two (2) at Accessory Warehouse; and one (1) at Building No.4) are not equipped sufficiently with interlock devices that prevent the doors from opening unless the elevators are presented on the landing floor. During assessment time, the doors of the elevators on the ground floor could be opened while the elevators are moving up. 4) The factory has developed a procedure for Lockout and Tagout (LOTO). However, the factory has not identified the machines, and equipment that are required for the Logout/Tagout procedure, in order to provide specific training to relevant workers. During the site tour inspection, it was noted one (1) out of three (3) observed pattern-cutting machines are under maintenance but Lockout and Tagout procedure is not implemented.</p> |
| <p>Recommendation for Immediate Action</p> | <p>1) Inspect all safety functions of the forklifts in the factory for safety reasons. 2) Use safety doors of conveyors when not they are not in use. 3) Install the interlock devices for all elevators for safety reasons. 4) Apply LOTO program for safety.</p> |
| <p>Compliance Classifications</p> | <p>Immediate Action Required</p> |
| <p>Local Law</p> | <p>1. Labor Law 1997, Article 230 2. Cambodia Law of Prakas 206/17 Article 9 3. Labor Law 1997, Article 230</p> |
| <p>Benchmark ID</p> | <p>HSE.6.1</p> |
| <p>Benchmark Details</p> | <p>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.</p> |

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| <p>Finding Details</p> | <p>1) One (1) out of two (2) fire extinguishers in the security room (main gate) is not in good condition, there is leakage at the connection point between the nozzle and the body during onsite testing. The nozzle head of one (1) out of two (2) fire extinguishers at the exit way to the main office of building No.4 is broken 2) Based on the site tour inspection and management interview, it was noted that the auto fire detectors/smoke detectors were not installed for production buildings including Building No. 1 used for sewing, cutting section; 1st floor of Building No. 2 used for sewing section; Building No. 4 used for laser, sewing, packing and drying section; Building No. 6 used for embroidery, printing and mold section. 3) During the testing, the fire water pressure was not maintained. It took the factory staff 10 minutes to repair the system to restore the water pressure. Additionally, the backup fire pump was set to OFF-mode, whereas it should have been in AUTO-mode to automatically maintain the fire water pressure. The fire pump operation guidance in local language are not posted in place for reference at the time of assessment. 4) There is no sprinkler system installed for production Buildings (Buildings No.1, 2, 4, 6), warehouse (building No.5), accessory warehouse, and dormitory.</p> |
| <p>Recommendation for Immediate Action</p> | <p>1) Inspect the fire extinguishers to ensure the functional fire extinguishers are ready for fire emergencies. 2) Install fire detectors for all eligible buildings and centralize all fire detectors. 3) Check and maintain the fire-fighting water pressure; Keep the fire water pump in the auto mode to be ready for emergencies. 4) Install the sprinkler system for productions, warehouse, and dormitory.</p> |
| <p>Compliance Classifications</p> | <p>Immediate Action Required</p> |
| <p>Local Law</p> | <p>1), 2), 3), 4) Sub-Decree on Requirements and Measures on Fire Prevention and Firefighting Royal Government on August 18, 2017, Article 9.</p> |
| <p>Benchmark ID</p> | <p>HSE.1</p> |
| <p>Benchmark Details</p> | <p>Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.</p> |

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| Finding Details | The factory has a written procedure for asbestos management established on January 03, 2017, last revision on December 28, 2023. However, there is no assessment, nor testing reports to identify whether the used material contained asbestos to provide remediation as the developed procedure. |
| Recommendation for Immediate Action | Conduct the assessment or testing to identify whether the used material contained asbestos to provide remediation. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |
| 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 | All two (2) pattern cutting machines in production building No.4, three (3) grinding machines, one (1) metal marking machine, and one (1) drilling machine in the maintenance room are not posted with safety operation procedure (SOP) in local language for worker's reference. In addition, One (1) out of three (3) observed pattern-cutting machine in the production building No.4 has no emergency stop buttons or safety auto sensors. |
| Recommendation for Immediate Action | 1) Post the safety operation procedure (SOP) in local Cambodian language at or near machines for workers' reference. 2) Install safety auto sensors and emergency buttons for safety reasons. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Labor Law 1997, Article 230 |
| Benchmark ID | HSE.30.2.6 |

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| 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 factory conducted occupational health and safety (OHS) risk assessments, and the current report was issued in January 2024. However, there is no risk assessment for the noise impact of the air compressor area, fire pump area, water reservation area next to the main office, drying department (with heat from drying machine and operation), fire risk in the dormitory, and racks in accessory warehouse/finished goods warehouse. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement 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 | The factory does not have effective system to ensure workers use proper PPE. More than 50% of workers in the Sewing, Cutting, Embroidery, and Packing section did not wear face masks while working, and all two (2) observed forklift operators did not use seat belts as required. |
| Recommendation for Immediate Action | Enforce workers to wear personal protective equipment sufficiently. |
| Compliance Classifications | Immediate Action Required |

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| Local Law | Cambodia Law of Prakas 206/17 Article 10; Prakas No. 125 Article 4 |
| Hours Of Work (HOW) | |
| Benchmark ID | HOW.22.2 |
| Benchmark Details | Accurate time records shall be maintained by employers, including overtime, breaks, and leave. |
| Finding Details | The time records are not complete and accurate, there is no timekeeping system for security to record the time-in and time-out for 79 outsourced security workers. The factory provided time-in and time-out in the Excel sheets for June 2024. No records of time recording in other months from July 2023 to May 2024 kept in place for review. From the interview with the factory management, the time-in, and time-out of the security workers are manually recorded by the leader of the security team and manually inserted into an Excel files for the payment. However, the manual time records are not also available in place for review. |
| Recommendation for Immediate Action | Keep time records of the security workers in place sufficiently. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |
| Benchmark ID | HOW.22.1 |
| Benchmark Details | Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances. |

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| Finding Details | The factory allows workers to leave 30 minutes early on payday with full payment. However, the factory has not developed policy whether overtime is paid in case workers stay and do not leave early. For example, one sample selected worker who left the factory at 15:16 on October 5, 2023, was counted and paid for a full 8-hour shift from 07:00 to 15:16. Meanwhile, another sample selected worker who worked from 07:00 until the end of the shift at 15:53 on the same day (37 minutes more than other workers) was also paid for only 8 hours. This practice led to pay discrepancies between workers with different total hours worked. The factory management explained that this practice aims to allow workers to finish their shifts early to withdraw their salary from ATMs on payday. |
| Recommendation for Immediate Action | |
| Compliance Classifications | Sustainable Improvement Required |
| Local Law | |
| Benchmark ID | HOW.14 |
| Benchmark Details | Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures. |
| Finding Details | The annual leave is not paid to all 54 outsourced canteen workers and 79 outsourced security guards as per legal requirements. |
| Recommendation for Immediate Action | Pay wages and benefits for onsite service subcontractors' workers sufficiently. |
| Compliance Classifications | Immediate Action Required |
| Local Law | Labor Law, Articles 166-170 |
| Benchmark ID | HOW.22.5 |
| Benchmark Details | Time records maintained shall be authentic and accurate. |

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| Finding Details | Time records are not maintained accurately, though the factory management confirmed that there was no worker worked on Sunday, the assessors observed 05 people working in the sewing workshop (Building No.2) on Sunday, June 16, 2024 by checking the CCTV data. The factory management later explained that those 5 people were workers from the subcontractor marking the emergency exit aisles on the floors of the sewing workshop. The assessors checked with the security guards and it was reported that there were no subcontractor workers working on Sundays in the last 12 months including June 16, 2024. There was also no record of subcontractor work provided for review. The interview with relevant OHS team revealed that the emergency exit aisles were marked by the factory maintenance workers. |
| Recommendation for Immediate Action | Keep accurate and consistent data among documents, records, and CCTV systems. |
| Compliance Classifications | Immediate Action Required |
| Local Law | N/A |

