

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

18 Sep 2024



Factory Information

FLA Affiliates	alphabroder
Country	Cambodia
Number of Workers	1600

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)	4
Compensation (C)	5
Employment Relationship (ER)	18
Freedom Of Association And Collective Bargaining (FOA)	2
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	24
Hours Of Work (HOW)	9
Nondiscrimination (ND)	1

Assessment Information

Assessor	Openview - Vietnam
Assessment Date	18 Sep 2024
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	The factory has not registered all young workers to the local authority. Additionally, there is no consent obtained from the workers' parents for employment. There are at least 11 young workers found working in the production areas during the assessment.
Recommendation for Immediate Action	Register all young workers with the local authority as per legal requirements. The factory shall obtain consent from workers' parents for employing the young workers as regulated by law.
Compliance Classifications	Immediate Action Required
Local Law	Local Labor Law 1997. Article 179, 181.
Benchmark ID	CL.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the prohibition of child labor.
Finding Details	The factory does not take any proactive steps to prevent child labor, the factory hires child labor purposely due to a shortage of manpower.
Recommendation for Immediate Action	Eliminate the use of child labor, as required by local law and FLA benchmark.

Compliance Classifications	Immediate Action Required
Local Law	Cambodia labor law, Article 177.
Benchmark ID	CL.4
Benchmark Details	Employers shall comply with all relevant laws that apply to young workers (e.g. those between the minimum working age and the age of 18), including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.
Finding Details	The young workers at the factory work for more than 8 hours per day, normally they work up to 12 hours per day. There are at least 11 young workers found working in the production areas during the assessment.
Recommendation for Immediate Action	Manage working hour for young workers to be comply with the local laws, i.e. not more than 8 hours per day.
Compliance Classifications	Immediate Action Required
Local Law	The Ministry in Charge of Labor can issue a Prakas (ministerial order) authorizing an extension of the daily hours, Article 140.
Benchmark ID	CL.2
Benchmark Details	Employers shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher.
Finding Details	The factory employs child labor. Their age is ranging from 13 - 14. A 13-year and 11-month child worker was hired on July 23, 2024 as a general worker and working in the sewing line. Another 14-year and 8-month child worker was hired on Sept 6, 2024 and working as a helper in the sewing line.
Recommendation for Immediate Action	1. Eliminate the use of child labor and ensure all hired workers are at least 15 year olds 2. Implement the child labor remediation plan as being required by law.

Compliance Classifications	Immediate Action Required
Local Law	Cambodia labor law, Article 177
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 calculation basis of social or medical insurance for five (5) onsite contracted security guards could not be fully verified due to no records are available at factory. 2. All legally mandated deductions for taxes, social insurance or other purposes deposited of five (5) onsite contracted security guards could not be fully verified due to no records kept and provided for review.
Recommendation for Immediate Action	1. Register and pay insurance as per local laws for all workers including the onsite contractor/subcontractor workers in place for review. 2. Ensure all legally mandated deductions for taxes, social insurance or other purposes deposited of workers are paid in line with the local laws.
Compliance Classifications	Immediate Action Required
Local Law	1 & 2. Prakas No: 168/22 K.B/Br.K.B.S.S. Articles 2 & 11.
Benchmark ID	C.8
Benchmark Details	All workers shall be credited with all-time worked for an employer for purposes of calculating length of service and determine the benefits to which workers are entitled.
Finding Details	The calculations for length of service and benefits could not be verified for onsite security guards due to lacking of records kept and provided for review.

Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement 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.
Finding Details	1. The factory does not pay untaken annual leave for resigned workers. There were approximately 50 workers resigned every month for the last 12 months. 2. It is noted that 1,167 out of 1,581 workers are not provided with social insurance including occupational, health care, and pension. The factory only paid social insurance for 351 workers, the last payment was done in August 2024. Additionally, the social and medical insurance of five (5) onsite contracted security guards could not be fully verified due to no records are available at factory.
Recommendation for Immediate Action	1. Pay untaken annual leaves for resigned workers. 2. Provide social insurance including occupational, health care, and pension for all eligible workers.
Compliance Classifications	Immediate Action Required
Local Law	1. Labour Law 1997, Article 168. 2.1 & 2.2. Prakas No: 168/22 K.B/Br.K.B.S.S. Articles 2 & 11.
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	Double book practice is noted during the assessment. The factory is using two sets of payrolls and records, one set does not reflect the excessive overtime and Sunday work, while another set records show the actual working hours and overtime. The factory management stated the reason they keep double booking records due to to high requirements from audits regarding working hours and overtime.
Recommendation for Immediate Action	Provide and maintain only one single accurate record of wages and benefits.
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	Workers are paid below the legal minimum wages. It is noted that 1,022 out of all 1,784 workers in August 2024 (current paid month) are paid the minimum wage lower than the legal requirement. They are paid from USD150 to less than USD202 per month, while the local labor law requires the factory to pay at least USD202 per month for probation workers and at least USD204 per month for regular workers. Approximately 95% out of all 1,022 workers who are paid the monthly minimum wage lower than the legal requirement meanwhile, they have already passed the probation period (joined the factory since March 2022 onward), while about 5% out of all 1,022 workers who got the minimum wage (USD196-USD200 per month) are still under probationary period as they joined the factory from July 2024 onward. Remarks: Factory management confirmed that the factory committed to provide all workers with at least minimum wages from September 2024 onward.
Recommendation for Immediate Action	Pay all workers at least the minimum wage as per local laws.

Compliance Classifications	Immediate Action Required
Local Law	Prakas No. 283/23 KB/Br.K.Kh.L, Article 2
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	There is no evidence that management reviews the complaints, grievances and takes appropriate actions. The factory does not monitor, track, and keep any records of workers' grievance in place for review.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.9.3
Benchmark Details	Contract/contingent/temporary workers shall only be hired if one of the following conditions is met the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders, exceptional circumstances* may result in great financial loss to the supplier if delivery of goods cannot be met on time, or work that needs to be done and is outside the professional expertise of the permanent workforce.

Finding Details	1. The factory does not sign regular labor contract for sample selected staff although he has worked for the factory for more than four months. 2. The factory has 45 workers who have been working more than two years and five months. These workers joined the factory on February 22, 2022. However, no Undetermined Duration Contracts (UDC) is renewed as required by local law.
Recommendation for Immediate Action	Review and sign the labor contracts including regular labor contracts and UDC for all workers, and staffs as per legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	1. Instruction No: 050/19 K.B/S.N.N.K.B.K dated 17 May 2019 of MLVT on Determination of Types of Employment Contract: The Ministry would like to emphasize that according to Article 68. 2. Instruction No: 050/19 K.B/S.N.N.K.B.K dated 17 May 2019 of MLVT on Determination of Types of Employment Contract: C. According to Article 67, Point 2.
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	1. The factory does not provide any ongoing training to workers on all FLA's Code elements and Employment Functions. The factory explains that they do the communication verbally. 2. The factory has an organizational chart for HR/Admin, HSE, and production departments. However, the factory does not clearly assign for each responsible persons to align with all Code elements and employment functions.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required

Local Law	N/A
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	The factory does not train the supervisors and HR officers on the workplace disciplinary policy and procedures.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.2
Benchmark Details	Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	The factory has not obtained permission from the Ministry of Social Affairs to hiring disabled workers. The current number of disabled workers do not comply with law that requires 1% of total workforce. For total number of 1,518 workers, the factory shall hire 16 disable workers as its effort or contribute part of workers' wage to the fund of Ministry of Social Affairs. In fact, the factory only hired nine (9) disabled workers.
Recommendation for Immediate Action	Obtain certificate obtain hiring disable workers from the Ministry of Social Affairs and hire disable workers as per laws.
Compliance Classifications	Immediate Action Required

Local Law	Sub-Degree No. 108 dated 30 August 2010: Art 6
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 the relevant supervisors that includes all FLA's Code elements and Employment Functions.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	The factory has developed a policy and procedure on grievance. However, the factory does not monitor, track, and keep any records of workers' grievance in place for review.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

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	<p>1. The factory has established a Non-discrimination policy. However, this policy does not include the statement of Non-discrimination on the basis of sexual orientation. Additionally, the factory has not developed a procedure to discipline the managers, supervisors, and workers who are against the established non-discrimination policy.</p> <p>2. The established forced labor procedure does not include the steps to handle the cases of forced labor found in the factory, including the steps to discipline for the violation related to the prohibition of forced labor policy.</p> <p>3. There are no disciplinary criteria to apply for workers, supervisors, or managers who involve/violate the developed child labor policy of the factory.</p> <p>4. The established retrenchment policy and procedure do not include contents of career counseling, job placement assistance, and re-employment rights.</p> <p>5. There is no job description developed for work positions in the factory.</p>
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	1. The factory has not developed a disciplinary procedure to outline steps on how to handle a case of discipline, responsible person, frame time, and communication for each type of workplace conducts and discipline. Additionally, the disciplinary policy states that workers will be disciplined if they refuse to work mutually agreed overtime. 2. There is no system in place to monitor and track for the labor discipline. The factory does not keep any disciplinary records for review.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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 established a written policy and procedure on personnel development. However, the procedure does not outline clear guidance for each step such as responsible persons , timeline, templates etc. to ensure for the implementation of the established procedure.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.7.1

Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	1. The factory has not developed the policies and procedures on performance reviews that include steps and processes, linkages to job grading, nondiscrimination, written feedback, and compliance with legal requirement. 2. The factory does not conduct performance reviews for workers.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
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	1. The factory has not developed the procedures on promotion and demotion and job re-assignment. 2. There are no promotion records in place for review. All promoted workers are decided by the managers and verbally informed to workers.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

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	1. There is no evidence of regular communication to workers on all FLA's Code elements and Employment Functions, all interviewed workers reported that they are not aware of the Code elements and related policies, procedures. 2. The FLA code is not posted at the workplace.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	1. The factory does not post any written workplace standards at the workplace. 2. The factory does not maintain a centralized worker-filling system effectively. The resigned and current workers are not separated in the employee list. Due to workers list are not updated timely, the factory is unable to check and provide employee ID cards of sample selected workers for assessor's review. 3. All 30 sample selected workers do not have the employment cards and employment books upon employment as per law requirements. The factory representative states the factory only provides employment cards and employment books for 300 out of 1,518 workers.

Recommendation for Immediate Action	Provide the employment cards and employment books upon employment as per law requirements for all workers.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law 1997, Article 32.
Benchmark ID	ER.15.3
Benchmark Details	Employers shall not demand that workers sign any declaration of good health, waivers or releases of other rights as a condition of receiving severance pay or other legal benefits* from the company, and shall not threaten to withhold benefits if workers do not sign.
Finding Details	The factory does not pay 5% of severance allowance for workers who reach the expiration date of the labor contract and resigned workers as per required by law. Approximately 50 workers resigns each month within the last 12 months.
Recommendation for Immediate Action	Pay severance allowance for all eligible workers as per laws.
Compliance Classifications	Immediate Action Required
Local Law	Local Labor Law 1997: Article 73
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	There are no records of orientation training provided to new workers. The factory only provides verbal communication of all policies and procedures to the workers.

Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	1. The latest updated version of all policies and procedures was on January 06, 2024. However, all policies and procedures are made and reviewed by a consultant, the factory responsible persons such as the HR officer, Admin officer, and HSE officer are not familiar with the established policies and procedures. The contents of policy and procedures are not reviewed by the factory to ensure the effective understanding and implementation. 2. Workers are not consulted or integrated in the decision-making process of aspects concerning workplace and working conditions (e.g., creation or revision of policies and procedures, changes in production processes, hours of work, etc.).
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.

Finding Details	The factory does not provide a written documentation covering orientation training to new workers. The factory management stated that the policies and procedures are only verbally communicated to workers.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

Freedom Of Association And Collective Bargaining (FOA)

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.
Finding Details	The factory does not have the Freedom of Association procedures, such as including workers representative member election, regular worker representative meeting organization, and communication channel.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	FOA.3

Benchmark Details	When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of workers association.
Finding Details	The factory employs 1,518 workers. However, there are no worker representatives that recognized by the Ministry of Labor and no Vocational Training is available at the workplace to ensure the workers' rights on freedom of association and collective bargaining is secured.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

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 procedure on harassment and abuse. Additionally, there is no document to prove that the factory has an effective system to perform disciplinary actions to supervisors, managers, and workers who are engaged in any form of harassment or abuse.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required

Local Law	N/A
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	The factory does not provide workers with basic first aid training or offer periodical training for the entire workforce. The factory only provides periodical first-aid training to members of the first-aid team.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.5.3
Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	There are no solid evidence to prove that the factory has conducted the fire/evacuation drills in 2024. The provided records shows that fire drills was conducted on August 17, 2024 (15:30). However, the CCTV system review shows that no fire/evacuation drill was conducted on August 17, 2024.
Recommendation for Immediate Action	Conduct the fire and evacuation drill sufficiently and keep all proper records in place for review.
Compliance Classifications	Immediate Action Required

Local Law	Prakas on Fire Prevention and Firefighting Training 2018, Article 4
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 fire fighting water pressure is tested during the assessment and noted that water press is too low and not appropriate for emergency events. 2. There are no records in place to prove that the factory's emergency exit doors are fire-resistant, smoke-sealed doors. 3. Six (06) out of seven (07) sliding doors are used as emergency exit doors at material warehouse building and production building (cutting, sewing, finished goods warehouse) instead of outward doors open in the direction of evacuation. 4. At least four (4) exit aisles at the finished goods warehouse, QC-packing area, fabric storage area, and material warehouse are not clearly marked and at least two (2) exit direction arrows show the wrong escape direction at the material warehouse, and packing area, it leads to a dead end.
Recommendation for Immediate Action	1. Repair the fire water pump to ensure the pressure of the firefighting water to effectively respond to fire emergency. 2. N/A 3. Install the outward emergency exit doors. 4.1. Clearly mark the exit aisles, and escape direction arrows for emergency cases. 4.2. Update the escape direction arrows of all exits.
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. N/A 3 & 4 Cambodia Law of Prakas 206/17 Art 8
Benchmark ID	HSE.5.1.3

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 emergency lighting
Finding Details	Three (3) out of five (5) exit signs/ emergency lights at the sewing section, QC, and packing section are out of order during the onsite test during the assessment.
Recommendation for Immediate Action	Ensure all fire emergency equipment are in good working mode for emergency events.
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.5.1.2
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of fire alarms;
Finding Details	1. The factory does not have the fire alarm control panel. All fire detectors installed in the production buildings, warehouse, and boiler area are not centralized. They are not linked to each other or linked to fire alarms. 2. All five (5) tested smoke detectors at the material warehouse, production building, and finished goods warehouse are out of order during the assessment.
Recommendation for Immediate Action	Centralize the alarm system to notify workers in case of emergencies. Regular test and ensure all auto fire detectors are in good working condition.
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.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	One (1) emergency exit door at the ironing-buttoning/QC section is obstructed by the pick-up truck and manual forklift while at least four (4) emergency escape aisles at the sewing section, packing section, materials warehouse, and finished goods warehouse are obstructed by the products and material.
Recommendation for Immediate Action	Ensure all emergency exits are free from obstruction and ready to use in emergency events.
Compliance Classifications	Immediate Action Required
Local Law	Sub-Decree On Requirements and Measures on Fire Prevention and Firefighting Royal Government, Article 15.
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 (2) out of five (5) cans of machine oil in the maintenance room and ten (10) cans of fuel oil at the generator area do not have secondary containers 2. There are no identification labels posted for in place for ten (10) fuel oil cans at the generator room while two (2) liquid chemical bottles (hand sanitizer) are labeled as pure drinking water.
Recommendation for Immediate Action	1. Equip the secondary container for all chemicals for safety reasons. 2. Ensure all chemical are posted with correct identification label for safety reasons.
Compliance Classifications	Immediate Action Required

Local Law	1. Labor Code 1997, Article 230. 2. Law on Administration of Factory and Handicraft (2006), Article 32
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	The factory does not provide toilet tissue or hand dryers in the workers' toilet area.
Recommendation for Immediate Action	Provide toilet tissue or hand dryer to workers.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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 following work section : sewing, ironing, laser cutting are identified as high noise area with the level is up to 100dBA. There are ten (10) workers in those area. Remark: There is no noise testing report from the factory. The reference result of the noise level is based on auditor's device.
Recommendation for Immediate Action	Ensure the noise level in workplace is in line with FLA benchmarks and legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law 1997, Article 229 & 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 speed limit sign posted within the facility premises for driving safety. 2. The internal traffic safety measures are not in place. The traffic lanes and walk paths are not marked within the facility premises. 3. There is no safety guard installed for one (1) out of two (2) fabric cutting machines and one (1) grinding machine while 20 other observed sewing machines in the production lines are not provided with needle protection guards/eye protection guards. 4. There is no lighting protection system installed at the factory. 5. The factory has not developed procedure for Lockout and Tag-out (LOTO) to train relevant workers to implement.
Recommendation for Immediate Action	1. Provide the safety guards for all cutting machines and train workers to use the machine safety guards sufficiently. 2. Install the lightning protection system for buildings. 3. Develop LOTO procedure to train workers and implement in the factory.
Compliance Classifications	Immediate Action Required
Local Law	Prakas 206/2017 of Ministry of Industry & Handicraft about Technical Management and Industrial Safety in Factories and Handicraft, Articles 9 & 10.
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	<p>1. There is no sprinkler system installed for the material warehouse, finished goods warehouse, and production workshops. 2. The first aiders' information is posted on the first aid box for emergency response. However, four (4) out of six (6) selected first aider whose information posted in the workplace are not trained as first aiders. 3. The factory does not have any eyewash station for emergency use installed onsite for workers who working with chemical such as machine oil, spot cleaning chemical.</p>
Recommendation for Immediate Action	<p>1. Install the sprinkler for the material warehouse, finished goods warehouse, and production workshops. 2. Ensure to provide training for all eligible workers and first aid responders. 3. Install the emergency eyewash station for workers.</p>
Compliance Classifications	<p>Immediate Action Required</p>
Local Law	<p>1. Sub-Decree on Requirements and Measures on Fire Prevention and Firefighting Royal Government on August 18, 2017, Article 9. 2. N/A 3. Labour Law 1997, Article 230; The Prakas covered in Article 229.</p>
Benchmark ID	<p>HSE.4.1</p>
Benchmark Details	<p>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.</p>

Finding Details	1. The factory does not renew the fire safety certificate and fire safety training certificate which is expired since February 2024 2. The factory does not have the technical inspection certificate issued by the authority for one (1) out of three (3) air compressors. 3. The factory does not have the solid waste disposal permit, wastewater discharge permit, Indoor air-quality testing and noise level testing report, and air emission permit to provide for review. 4. The factory does not have the opening, closing construction permits and approval construction plan for one (1) material warehouse (approximately 2,500 square meters), two management dormitories area for Cambodians and guests (approximately 60 square meters in total).
Recommendation for Immediate Action	Ensure to obtain all legal permits, reports as per local law.
Compliance Classifications	Immediate Action Required
Local Law	1. Royal Decree NS/RKM/0613/007 on Fire Prevention and Fire Fighting, Article 29 2. Prakas 206/2017, Article 18 3. Environmental Code 2023, Article 169, 173, 286, 314 4. Law on Construction of Cambodia 2019, Articles 26 and 36
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1. The factory does not have a designated hazardous waste storage area while machine oil and fuel are being used within the facility. Empty cans of machine oil are stored in the maintenance room while empty cans of fuel are stored together with full fuel cans at fire water pump. 2. The factory does not provide medical check-up to workers as required by law.
Recommendation for Immediate Action	1. Hazardous waste is classified and store in separated and designated area. 2. Provide health check-ups to all workers as a legal requirement.
Compliance Classifications	Immediate Action Required

Local Law	1. N/A 2. Prakas On Cambodian Worker/Employee Checkup No. 429/20
Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	1. The factory does not post machine safety operation procedure (SOP) in place for most of machine in the factory such as: three (3) air compressors, six (6) laser cutting machines, ten (10) buttoning machines, two (2) fabric inspection machines, one (1) pattern cutting machine, one (1) welding machine ect. 2. The local language is not posted for operation buttons, and emergency stop buttons for all the above machine.
Recommendation for Immediate Action	Post safety operating procedure (SOP) to all machines for workers' references and local language to operation buttons.
Compliance Classifications	Immediate Action Required
Local Law	Labor Code 1997, Article 230
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.
Finding Details	The factory does not train workers on ergonomics nor lifting techniques.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

Benchmark ID	HSE.18.1
Benchmark Details	Medical facilities shall be established and maintained in factories as required by applicable laws.
Finding Details	1. The factory does not have at least two (02) full-time nurses and one (01) part-time doctor working for 6 hours per day and six days per week as per legal requirements. The factory only has 1 full time nurse working. 2. Three (3) out of five (5) first aid boxes at the production building are not sufficiently supplied. The first aid kit only has 12 out of 16 required items, lacking of elastic bandage, triangular bandage, scissor, etc.
Recommendation for Immediate Action	1. Provide qualified health care staffs as per law. 2. Review and sufficiently supply the proper materials for first aid boxes as required.
Compliance Classifications	Immediate Action Required
Local Law	1. Prakas No. 330/00 on "Organization of Infirmary in the Enterprise" dated on 06 December, 2000: Article 3. 2. Labor Law, Article 242.
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 factory conducted the occupational health and safety (OHS) risk assessment in January 2024. However, the OHS risk assessment does not cover potential risks of/for asbestos, parking lots, fire pump area, pregnant workers, disabled workers.
Recommendation for Immediate Action	N/A

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The factory does not record the accidents/ injuries, nor investigate the accidents to identify root causes for prevention and improvement.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	1. The factory does not provide protective shoes for forklift/manual forklift operators as per factory regulations. 2. The factory does not provide electrically insulated safety shoes for electricians.
Recommendation for Immediate Action	Provide proper protective shoes to all forklift/manual forklift operators, and electricians.

Compliance Classifications	Immediate Action Required
Local Law	Labor Code 1997, Article 230
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	Though the factory provides earplugs, all ten (10) workers who working in the high level noise (sewing-ironing-laser cutting task area) do not use earplugs. The workers are working in this area with the noise level up to 100dBA.
Recommendation for Immediate Action	Monitor and enforce workers to use personal protective equipment sufficiently.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law 1997, Article 229, 230
Benchmark ID	HSE.10.2
Benchmark Details	Workers shall have free access to MSDS.
Finding Details	The factory does not post the Material Safety Data Sheet (MSDS) in place for ten (10) fuel oil cans at the generator room.
Recommendation for Immediate Action	Post the Material Safety Data Sheet (MSDS) to all chemicals used and stored in place to ensure safety use and store for all kinds of chemical.
Compliance Classifications	Immediate Action Required
Local Law	Prakas No. 307; Cambodia Labor Law 1997, Article 230 & The Prakas covered in Article 229

Benchmark ID	HSE.16
Benchmark Details	Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.
Finding Details	All interviewed workers reported that they have not been communicated their rights to refuse to perform work under unsafe conditions.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	1. The factory does not provide safety training for most of workers that working with machineries such as: laser cutting , cutting, fabric inspection, steam iron, buttoning, grinding, metal marking, boilers, air compressors, welders and workers working with chemicals. 2. The factory does not identify the confined spaces in the factory nor assess the details to define working areas that are confined spaces, to provide specific training to all relevant workers.
Recommendation for Immediate Action	1. Provide the relevant health and safety training for workers as per law.
Compliance Classifications	Immediate Action Required
Local Law	1. Prakas 206/2017 of Ministry of Industry & Handicraft about Technical Management and Industrial Safety in Factories and Handicraft, Article 13.
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	1. The back-rest chair/ anti-fatigue mats or any other remediation measures are not provided for workers working in the sewing section/ packing section, and QC workers to protect them from any impact of long-time seating/standing. 2. The factory does not sufficiently provide anti-fatigue mats for workers working in the ironing section, there are six (6) out of ten (10) workers are not provided with anti-fatigue mats.
Recommendation for Immediate Action	Ensure to take proactive steps to reduce repetitive-motion stress or injuries such as provide the back-rest chair/ anti-fatigue mats or other remediation measures for all eligible workers.
Compliance Classifications	Immediate Action Required
Local Law	N/A

Hours Of Work (HOW)

Benchmark ID	HOW.6
Benchmark Details	Employers' personnel practices shall demonstrate an effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand.
Finding Details	From the assessment obtained during the assessment, it is noted that there are not enough workers to complete the production, workers must work excessive overtime and lack of manpower is reported.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A

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	Workers work overtime more than the legal limit (2 hours per day). All 30 out of 30 sample selected workers from accessory warehouse, fabric warehouse, cutting, sewing, ironing, inspection, packing, finished goods warehouse, cleaning, mechanical, and boiler operators work more than 10 hours (including 8 normal working hours and 2 overtime hours) in all selected months of August, May 2024 and December 2023. The sample selected workers work 12-14 hours per day.
Recommendation for Immediate Action	Ensure to review and arrange workers work overtime in line with the legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	The Ministry in Charge of Labor can issue a Prakas (ministerial order) authorizing an extension of the daily hours, Article 140.
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.
Finding Details	The current working hour policy does not include 15 required minute breaks for disable workers as per law.
Recommendation for Immediate Action	Include 15 required minute breaks for disable workers as per law.
Compliance Classifications	Immediate Action Required
Local Law	Notification No.017/23 issued by the Ministry of Labour and Vocational Training on 06-June-2023.
Benchmark ID	HOW.20

Benchmark Details	Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.
Finding Details	Based on the information obtained during the assessment, the factory production plan is based on regular working hours plus overtime hours.
Recommendation for Immediate Action	N/A
Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	HOW.22.4
Benchmark Details	Employers shall not maintain multiple time-keeping systems and/or records.
Finding Details	The factory made two sets of payroll records (double books of payroll records) in which the real set is recorded/reflected with excessive overtime work from (06:00 PM to 10:00 PM) and weekly day-off (Sunday) work, while another set does not record/reflect with excessive overtime work from (06:00 PM to 10:00 PM) and weekly day-off (Sunday) work. The factory only provided two sets of records after the assessors found the issues, explaining that the factory made two sets due to high requirements from audits regarding working hours and overtime.
Recommendation for Immediate Action	Keep single set of accurate working hour record and payrolls for review.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HOW.3

Benchmark Details	Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.
Finding Details	1. The factory does not provide 15-minute early break (before lunch and before the end of the working shift) to disable workers as per legal requirements. 2. The factory does not monitor to ensure workers have their break time as per law. The workers are observed to work till 11:50 during the assessment meanwhile, lunch break is from 11:00 to 12:00.
Recommendation for Immediate Action	1. Provide 15-minute early break (before lunch and before the end of the working shift) to disable workers. 2. Monitor to ensure workers have their break time as per law.
Compliance Classifications	Immediate Action Required
Local Law	Labour Law 1997, Article 137.
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

Finding Details	Workers work more than 60 hours per week. The maximum weekly overtime hours are 72 hours per week and the highest monthly overtime hours are 87 hours per week as the following detail: - August 2024 (Current paid month): all 30 out of 30 sample selected workers from accessory warehouse, fabric warehouse, cutting, sewing, ironing, inspection, packing, finished goods warehouse, cleaner, mechanical, electrician, and boiler operator worked more than 60 (72-87) hours per weeks, and the highest weekly hours is 87 hours. - May 2024 (Random month): all 30 out of 30 sample selected workers from accessory warehouse, fabric warehouse, cutting, sewing, ironing, inspection, packing, finished goods warehouse, cleaner, mechanical, electrician, and boiler operator worked more than 60 (66-78) hours per weeks, and the highest weekly hours is 78 hours. - December 2023 (Random month): all 30 out of 30 sample selected workers from accessory warehouse, fabric warehouse, cutting, sewing, ironing, inspection, packing, finished goods warehouse, cleaner, mechanical, electrician, and boiler operator worked more than 60 (74-76) hours per weeks, and the highest weekly hours is 76 hours.
Recommendation for Immediate Action	Review and work with relevant top management to ensure working hour is exceeding 60 hours in a week.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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	There are no time records for all five (5) security workers from a security service company in place for review. In addition, the factory does not keep payrolls of security guards from September 2023 to December 2023 for review.
Recommendation for Immediate Action	Keep all time records for all workers including onsite security workers in place for review.

Compliance Classifications	Immediate Action Required
Local Law	N/A
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	Workers are not provided one day off in every 7-day period. All 30 out of 30 sample selected workers in August, May 2024 and December 2023 from accessory warehouse, fabric warehouse, cutting, sewing, ironing, inspection, packing, finished goods warehouse, cleaner, mechanical, electrician, and boiler operator are not provided one day-off in every 7-day period, and the consecutive working day is from 10-31 days.
Recommendation for Immediate Action	Review and work with relevant top management to provide at least one day off in every 7-day period to all workers.
Compliance Classifications	Immediate Action Required
Local Law	Labour Law 1997, Article 146-148.

Nondiscrimination (ND)

Benchmark ID	ND.8.1
Benchmark Details	Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.

<p>Finding Details</p>	<p>1. No daycare center or payment is provided to illegible female workers as per legal requirements. There are 35 workers with children less than 36 months need to be provided the day-care center. 2. No maternity leave benefit is paid to illegible female workers. For instance, one (1) sample selected worker who took maternity leave from 02-September 2024 to 01-December-2024 However, the worker is not paid the maternity 50% of the average of the last 12 months' wage as per legal requirements. 3. No breastfeeding time is provided to all legible female workers yet. There are 12 workers are eligible to be entitled to breast-feeding time in the factory.</p>
<p>Recommendation for Immediate Action</p>	<p>1. Ensure to provide day care center to workers as per laws. 2. Provide the maternity leave benefits correctly. 3. Provide breastfeeding time for eligible female workers.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>1. Labor Law 1997: Article 186 2. Labor Law 1997: Article 183: 3. Local Labor Law 1997: Article 184</p>

