



COMPANIES: W.L. Gore & Associates GmbH

COUNTRY: Cambodia

ASSESSMENT DATE: 12/20/18

ASSESSOR: Social Compliance Services Asia

PRODUCTS: Apparel

NUMBER OF WORKERS: 920

## FLA Comments

Company Exit Language: W.L. Gore ceased production at this factory in February 2019. The supplier group moved W.L. Gore production to another factory under the same ownership due to different technical skills available for W.L. Gore products. At the time of exit, W.L. Gore made up 0.1% of the factory's total production. Due to the low production volume, there was no risk of retrenchment due to Gore's exit. Gore has been active in remediating non compliances with the factory, up to March 2019 after they had already exited the factory.

## Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

1. There are no policies and procedures for Personnel Development. [ER.28]
2. There are no policies and procedures for Retrenchment. [ER.32]
3. The written policy on Environmental Protection does not state general support for energy and water efficiency or a commitment to minimize impacts with respect to air emissions, waste, hazardous materials or other applicable environmental risks. The written procedures on Environmental Protection also do not address how to manage environmental impact within the factory. [ER.31]
4. The procedures on Health and Safety lack how to ensure all personnel, visitors, contractors, and service providers can safely evacuate. [ER.31]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.28, ER.31, ER.32)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

The factory will create policies and procedures for Personnel Development & Retrenchment.

The factory will apply for Air emissions and waste permit .

Update Environmental Protection policy supporting energy & water efficiency.

Improve H&S procedures to ensure all personnel, visitors etc can be safely evacuated in case of emergency.

##### Planned completion date

01/23/19

### FINDING NO.2

#### SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Training (Macro)

### Finding Explanation

1. Orientation training does not cover Personnel Development, Retrenchment Policy & Procedures, or Environmental Protection. [ER.15]
2. The factory provides no specific training for relevant managers and supervisors on Recruitment, Hiring and Personnel development, Workplace conduct, Termination and Retrenchment, Grievance systems incorporating non-retaliation, Industrial Relations and Freedom of Association, Environmental Protection, Hours of Work, Wages and Benefits, or Health & Safety. [ER.1, ER.17, ER.27]
3. The factory provides no ongoing documented training to employees on Environmental Protection. [ER.15]
4. The safety training does not cover how PPE should be stored or replaced. [HSE.8]

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.27 and Health, Safety, & Environment Benchmarks HSE.8)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Include Personnel Development, Retrenchment Policy & Procedures & Environmental Protection into orientation training.  
Provide specific training for relevant managers and supervisors on Recruitment, Hiring and Personnel development, Workplace conduct, Termination and Retrenchment, Grievance systems incorporating non-retaliation, Industrial Relations and Freedom of Association, Environmental Protection, Hours of Work, Wages and Benefits, or Health & Safety.  
Factory should provide no ongoing documented training to employees on Environmental Protection.  
Safety training should cover how PPE should be stored or replaced.

#### Planned completion date

01/23/19

#### Company Action Plan Update

The factory integrated the Environmental Protection and other policies in orientation training for new workers and provided training to all leader managers and supervisors on Recruitment, Hiring and Personnel development, Workplace.

## FINDING NO.3

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Recruitment, Hiring & Personnel Development

### Finding Explanation

1. There had been 32 temporary workers in the heat-transfer printing section, employed since September or October 2018; 22 of these workers still work at the factory at the time of the assessment. However, the factory did not sign contracts with any temporary workers. The factory did not keep information to verify worker ages, like an ID card copy. In addition, the factory provides no insurance to these workers, including commercial workplace insurance. Approximately 40% of these temporary workers have been at the factory since September 2018, and the remaining since October 2018. [ER.1, ER.4, ER.9]

### Local Law or Code Requirement

Cambodian Labor Law Articles 65; FLA Workplace Code (Employment Relationship Benchmarks ER 1, ER.4, ER 9)

### Recommendations for Immediate Action

1. Collect and maintain worker documentation for temporary workers, including all age verification documents.
2. Provide all legally required insurance to temporary workers.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The factory will set up the system to ensure that the document of all temporary workers will be maintained properly and all the workers will be covered with commercial workplace insurance and provided with health examination.

1/Temporary worker information including the ID card copy and age verification document

2/Review policy and control system

3/Train the HR and management with Attendent List

#### Planned completion date

01/23/19

#### Company Action Plan Update

The factory has set up the system to ensure that the document of all temporary workers will be maintained properly and all the workers will be covered with commercial workplace insurance and provided with health examination.

1/Temporary worker information includes the ID card copy and age verification document

2/Review policy and control system

3/Training for HR and Management with Attendent List has been done

## FINDING NO.4

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. The factory did not identify whether its on-site operations generate any negative environmental impacts. [ER.31]
2. The factory has no system to respond to any unexpected environmental emergency such as chemical spills or gas leaks in the factory. [ER.31]
3. The factory keeps no documentation related to environmental protection. [ER.31]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.31)

#### Recommendations for Immediate Action

1. Ensure the environmental risk assessment is conducted to identify whether its on-site operations generate any negative environmental impacts
2. Ensure system is set up to respond to any unexpected environmental emergency such as chemical spills or gas leaks in the factory.
3. Keep documentation related to environmental protection.

### COMPANY ACTION PLANS

#### Action Plan no 1.

#### Description

1. Ensure the environmental risk assessment is conducted to identify whether its on-site operations generate any negative environmental impacts
2. Ensure system is set up to respond to any unexpected environmental emergency such as chemical spills or gas leaks in the factory.
3. Keep documentation related to environmental protection.

#### Planned completion date

01/23/19

## FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Communication & Worker Involvement (Macro)

#### Finding Explanation

1. The factory does not communicate or update the policies & procedures for the general workforce on Recruitment, Hiring & Personnel

Development, Wages and Benefit, Hours of Work, Environmental Protection, Grievance System, Termination and Retrenchment, Workplace Conduct & Discipline, Industrial Relations & Freedom of Association, or Health & Safety. [ER.1, ER.16, ER.25]

Local Law or Code Requirement

FLA workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25)

## COMPANY ACTION PLANS

### Action Plan no 1.

Description

The factory will conduct a regular review of policies, procedures and their implementation in a consultative manner every 12 months. Training will be provided to workers & Managers.

Planned completion date

01/23/19

Company Action Plan Update

Training course on companies policies & procedures has been provided to supervisors & Managers.  
Factory has started to review policies and adjust if necessary.

## FINDING NO.6

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not conduct a periodic review to update policies and procedures for Recruitment, Hiring and Personnel development policies and procedures, Workplace Conduct & Discipline, Termination and Retrenchment, Grievance System, Industrial Relations & Freedom of Association, Environmental Protection, Hours of Work, Wages and Benefits, and Health & Safety according to local laws and regulations or FLA code requirements. [ER.1, ER.29, ER.30, ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30 , ER.31)

## COMPANY ACTION PLANS

### Action Plan no 1.

Description

The factory will create policies and procedures for Personnel Development , Retrenchment, Termination, Hiring, Grievance Mechanism etc.

Planned completion date

01/23/19

### Action Plan no 2.

Description

The factory will apply for Air emissions and waste permit .

Planned completion date

01/23/19

## FINDING NO.7

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Compensation

### Finding Explanation

1. There have been approximately 32 temporary workers working in the heat-transfer printing section since September 2018. Their foreman was also working at the factory at the time of assessment. For their wages, the factory pays their foreman a rate based on the unit price of the production. Per the foreman's documentation provided, the foreman paid the temporary workers 8-9 USD per day, which is higher than the daily required minimum wage (6.54 USD per day); the workers were paid twice per month. However, the factory did not maintain payment records for the temporary workers. [C.5]

### Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.5)

### Recommendations for Immediate Action

1. Establish time recording system for all temporary workers and record work hours accurately.
2. Monitor the payment status of all temporary workers and maintain their payment records.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory will terminate contract with subcontracting company.

#### Planned completion date

01/23/19

#### Company Action Plan Update

According to this issue factory has completely terminated contract with the subcontractor company.

Besides the factory created commitment not to accept lease hired subcontracted workers from the subcontractor company.

## FINDING NO.8

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Hours of Work

### Finding Explanation

1. Time recording system needs improvement i.e. On the first day of the assessment, the first set of attendance records provided by the factory was incomplete and inaccurate. Per the attendance records first provided by the factory, the maximum daily overtime for workers was two hours (from 16:00 - 18:00 pm). However, the assessor found the actual daily overtime was four hours for packing, ironing and QC workers, not reflected in factory attendance records. Factory representatives blamed the setting of their time recording system, saying the system cannot capture daily overtime exceeding two hours. The factory provided the OT application form for November and December 2018 for review. It showed at least 34 ironing workers arranged to work overtime from 18:00 - 20:00 pm. This extra overtime compensation was paid to workers by cash the following Saturday. The payment record for OT compensation was provided for review at the time of assessment. [ER.23]

2. There were approximately 32 temporary workers working in the heat-transfer printing section since September –October 2018. Their foreman was working at the factory at the time of assessment. The factory did not establish any time recording system for the temporary workers. Currently, the factory only used the "v" symbol (= 8 hours) on manual attendance records to record their attendance; there is no detailed time-in or time-out information or worker's signatures as acknowledgement. Actual work hours of all temporary workers could not be accurately verified at the time of assessment. [ER.23]

3. Based on the manual attendance provided by the factory, it was noted that 9 out of 32 temporary workers worked 8 days consecutively without rest from December 1st – 8th, 2018. [HOW.2]

4. The factory includes overtime as a general practice in production planning. For instance, the production planning is based on 58 hours per week instead of 48 hours per week. [HOW.7]

### Local Law or Code Requirement

Cambodian Labor Law AC AWARD 10/04, LABOUR LAW ART 146-148

#### Recommendations for Immediate Action

1. Ensures all work hour will be captured on factory's time recording system
2. Ensures the time recording system will be established for all temporary workers.
3. Ensures all workers will be provided with one rest day per week
4. Ensures the production planning will not include overtime.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The factory will improve workers' working efficiency so that workers are capable of doing the job to meet the legal requirement of 60 hours per week. If improving efficiency is not enough to reduce overtime, factory will hire additional workers.

Factory will ensure that all working hours should be fully captured at the time recording system and its overtime payment will be recorded at one payroll record

#### Planned completion date

01/23/19

#### Company Action Plan Update

The factory has improved workers' working efficiency so that workers are capable of doing the job to meet the legal requirement of 60 hours per week.

Factory ensured that all working hours are fully captured at the time recording system and overtime payment will be recorded at one payroll record.

### Action Plan no 2.

#### Description

Ensures all workers will be provided with one rest day per week and ensure the production planning will not include overtime.

#### Planned completion date

01/23/19

## FINDING NO.9

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. Two of three mesh gloves used by the cutting workers were not in good condition. [HSE.8]
2. Workers were wearing slippers, not safety shoes while using the forklift in the finished goods warehouse. [HSE.8]
3. The workstation, seating, and standing arrangements are not based on ergonomic standards. [HSE.17]
4. The steam pipe underground was broken and steam was leaking out.
5. There were no warning signs for the confined spaces at the underground water tank. [HSE.19]
6. The electrical wiring in the sewing workshop was not in good condition, exposed without insulation. [HSE.13]
7. One fire extinguisher in the sewing workshop was blocked by production material. In addition, one fire hydrant outside the facility compound had holes in the fire hose. [HSE.6]
8. There were no "No smoking" signs or fire extinguishers installed in the solid waste area. [HSE.6]
9. Three gas cylinders stored next to the staff dormitory were exposed to the sunshine, which may trigger an explosion. [HSE.14]

#### Local Law or Code Requirement

Cambodian Labour Law Arts 228-230; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.6, HSE.8 , HSE.13 , HSE.14 , HSE.17 and HSE.19)

#### Recommendations for Immediate Action

1. Ensure all PPE is properly maintained.
2. Provide necessary personal protective equipment to workers
3. Ensure workstation, seating and standing arrangements are based on ergonomic standards.
4. Repair and maintain steam pipe.
5. Post warning signs for all confined spaces.



6. Repair all electrical wiring and maintain in good condition.
7. Repair and maintain all fire-fighting equipment in good condition.
8. Install "No smoking" signs and fire extinguishers in the solid waste area.
9. Properly store and secure all gas cylinders.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

- 1/The factory will provide the new mesh gloves to the cutting workers .
  - 2/The factory will provide the safety shoes to work at finished goods warehouse.
  - 3/The factory will provide the chair for standing workstation.
  - 4/ The factory will fix all the steam pipe underground .
- 6/The facility will fix all the wiring and ask the electrician to conduct the scheduled check up the equipment.
- 7/The facility will remove all the production material from the fire extinguisher in the workshop were blocked. The facility will change the fire hydrant and ask the electrician to check up the types of equipment.
- Fty conducts training of fire safety awareness to electricians/ internal checkers in accordance with correct periodical inspection method.

- 8/The facility will put the fire extinguisher and NON-Smoking Sign at the solid waste area.

#### Planned completion date

01/23/19

#### Company Action Plan Update

- 1/The factory has provided the new mesh gloves to the cutting workers .
  - 2/The factory has provided the safety shoes to work at finished goods warehouse.
  - 3/The factory has provide the chair for standing workstation.
  - 4/ The factory has fix all the steam pipe underground .
- 6/The facility will fix all the wiring and ask the electrician to conduct the scheduled check up the equipment.
- 7/The facility has removed all the production material from the fire extinguisher in the workshop were blocked. The facility will change the fire hydrant and ask the electrician to check up the types of equipment.
- 8/The facility put the fire extinguisher and NON-Smoking Sign at the solid waste area.