



FAIR LABOR  
ASSOCIATION<sup>®</sup>

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Evergreen Enterprises Inc.

COUNTRY: Cambodia

ASSESSMENT DATE: 09/03/19

ASSESSOR: Social Compliance Services Asia

PRODUCTS: Collectibles [such as figurines, coins, spoons, mugs]

NUMBER OF WORKERS: 230

## 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.

FLA Code Element	Number of Violations
Compensation	6
Hours of Work	6
Employment Relationship	53
Health, Safety, and Environment	73
Harassment and Abuse	1
Nondiscrimination	3
Child Labor	1
Freedom of Association	5

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. The factory has not established written policies and procedures across all Employment Functions: Recruitment, Hiring & Personnel Development; Promotion, Demotion and Job reassignment; Non-discrimination; Anti-Harassment and Abuse; Forced labor; Child labor; Freedom of association and Collective bargaining; Hours of Work; Termination and Retrenchment; Compensation; Workplace conduct/ Discipline; Grievance System; Environmental protection; Health and Safety. [ER.1, ND.1, H/A.1, F.1, CL.1, FOA.1, HSE.1, HOW.1]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1; Nondiscrimination Benchmarks ND.1; Harassment and Abuse benchmark, H/A1; Forced Labor Benchmarks F.1; Child Labor Benchmarks CL.1; Freedom of Association and Collective Bargaining Benchmarks FoA.1; Health, Safety and Environmental Benchmarks HSE.1; Hour of Work Benchmarks, HOW.1; Compensation Benchmarks C.1)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

1. The factory already written policies and procedures across all Employment Functions: Recruitment, Hiring & Personnel

Planned completion date

09/28/19

Company Action Plan Update

1. The factory already written policies and procedures across all Employment Functions: Recruitment, Hiring & Personnel Development; Promotion, Demotion and Job reassignment; Non-discrimination; Anti-Harassment and Abuse; Forced labor; Child labor; Freedom of association and Collective bargaining; Hours of Work; Termination and Retrenchment; Compensation; Workplace conduct/ Discipline; Grievance System; Environmental protection; Health and Safety.

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

1. The factory did not train to new workers on all FLA's Code elements and Employment Functions. [ER.1]
2. The factory did not train relevant supervisors on any of the FLA's Code elements and Employment Functions. [ER.17]
3. The factory did not provide any ongoing training to workers on all FLA's Code elements and Employment Functions. [ER.1, ER.28, ER.29, ER.30, ER.31]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, ER.28, ER.29, ER.30, ER.31)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. The factory will provide training to all workers on all FLA's Code elements and Employment Functions.
2. The factory will train relevant supervisors on any of the FLA's Code elements and Employment Functions.
3. The factory will provide any ongoing training to workers on all FLA's Code elements and Employment Functions.

##### Planned completion date

09/28/19

##### Company Action Plan Update

1. The factory will provide training to all workers on all FLA's Code elements and Employment Functions.
2. The factory will train relevant supervisors on any of the FLA's Code elements and Employment Functions.
3. The factory will provide any ongoing training to workers on all FLA's Code elements and Employment Functions.

## FINDING NO.3

## SUSTAINABLE IMPROVEMENT REQUIRED

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

#### Finding Explanation

1. The factory did not communicate to workers on all FLA's Code elements and Employment Functions. [ER.1]
2. There was no FLA Code or any other code of conduct made available to the workers. [ER.1]
3. There were no written workplace standards made available to workers, managers and supervisors. [ER.1]
4. The worker involvement component is missing across all Employment Functions including Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment, Environmental Protection; and Health & Safety. This indicates that the factory has not established procedures to actively request and/ or receive workers' input/ feedback regarding the creation, suggestion, and implementation and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1.3, ER.25.2]

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER1.3, ER.25.2)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. The factory will provide the training to communicate with workers on all FLA's Code elements and Employment Functions.
2. The factory will post FLA Code or any other code of conduct made available to the workers on factory information board.
3. The factory will provide workplace standards made available to workers, managers and supervisors.
4. The factory will establish procedures to actively request and/ or receive workers' input/ feedback regarding the creation, suggestion, and implementation and updating of its policies and procedures.
5. The factory will install suggestion box for workers to make effective grivence system.

#### Planned completion date

09/28/19

#### Company Action Plan Update

1. The factory will provide the training to communicate with workers on all FLA's Code elements and Employment Functions.
2. The factory will post FLA Code or any other code of conduct made available to the workers on factory information board.
3. The factory will provide workplace standards made available to workers, managers and supervisors.
4. The factory will establish procedures to actively request and/ or receive workers' input/ feedback regarding the creation, suggestion, and implementation and updating of its policies and procedures.
5. The factory will install suggestion box for workers to make effective grivence system.

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

##### Finding Explanation

1.The factory did not have policy and procedures to regulate conducting regular review for policies and procedures. Therefore, there was no policy or procedures to ensure that policies and procedures are effective, updated according to local laws and the FLA Workplace Code and Benchmarks across all Employment Functions including Recruitment, Hiring & Personnel Development; Compensation; Hours of Work; Industrial Relations; Grievance System; Workplace Conduct & Discipline; Termination & Retrenchment, Environmental Protection; and Health & Safety. [ER.1, ER.25, ER.26, ER.27, ER.28, ER.29, ER.30, ER.31]

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.26, ER.27, ER.28, ER.29, ER.30 and ER.31)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1.The factory will create all policy and procedures to regulate conducting regular review for policies and procedures

##### Planned completion date

09/28/19

##### Company Action Plan Update

1.The factory already created all policy and procedures to regulate conducting regular review for policies and procedures.

## FINDING NO.5

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. At least seven personnel files were found with no copy of National ID card on file. At least one worker who was working in the painting section was found using someone else's birth certificate, National ID card and Family book. After various verification channels, the worker provided his own ID and other age proof documents on the second day of assessment that proved that he was not an under-age worker. [ER.4]
2. During the assessment, at least two juvenile workers (currently 17 years old) were working at the painting section. The factory did not have registration documents for juvenile workers with the bureau for review. [ER.14]
3. It was noted that the Labor contract does not clearly mention the working hours as required by law. [ER.1]
4. Factory practiced two months probation period for all workers instead of two months for specialized workers and one month for non-specialized workers as the law requirement which was in violation with Article 68 of Labor Law. [ER.1]
5. There was no health check provided to workers. [HSE.1]
6. There was no Employment Book for workers [ER.1]
7. There was no Approved Company Internal regulation and Rules document. [ER.2]

##### Local Law or Code Requirement

Cambodia Labor Law: Article 68; Article 102 to Article 190; Civil Code, Article 665; Section 4; Kingdom of Cambodia Labor Law, Section 3; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.4, ER.14)

## Recommendations for Immediate Action

1. Factory shall ensure that workers' proof of age document is properly checked and maintained during the recruitment process.
2. Factory shall ensure that juvenile workers are properly registered at bureau and are assigned at proper position and are not in contact with hazardous chemicals
3. Factory shall ensure labor contracts include all information as required by law.
4. Factory shall ensure that workers are put on proper probationary period as accordance to the law.
5. Factory shall ensure that workers are subject to proper health checks.
6. Factory shall ensure that employment book are available for all workers.
7. Factory shall ensure to establish and maintain the Approved Company internal regulation and rules.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will ensure that workers' proof of age document is properly checked and maintained during the recruitment process.
2. Factory will recheck all workers personal documents and not recruit juvenile workers to employ in the factory.
3. Factory will ensure labor contracts include all information as required by law and provide new contract to workers.
4. Factory will ensure that workers are put on proper probationary period as accordance to the law.
5. Factory will arrange all workers to conduct their health check properly.
6. Factory will arrange all workers to conduct their employment book properly.
7. The factory will establish and maintain the Approved Company internal regulation and rules.

#### Planned completion date

09/28/19

#### Company Action Plan Update

1. Factory will ensure that workers' proof of age document is properly checked and maintained during the recruitment process.
2. Factory will recheck all workers personal documents and not recruit juvenile workers to employ in the factory.
3. Factory will ensure labor contracts include all information as required by law and provide new contract to workers.
4. Factory will ensure that workers are put on proper probationary period as accordance to the law.
5. Factory will arrange all workers to conduct their health check properly.

6. Factory will arrange all workers to conduct their employment book properly.

7. The factory will establish and maintain the Approved Company internal regulation and rules.

## FINDING NO.6

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

1. There was no worker representative (shop steward) at the facility as required by law. The factory should have at least 4 shop stewards and 4 assistant shop steward by law. [FOA.1]

##### Local Law or Code Requirement

Kingdom of Cambodia Labor Law, Article 283; FLA Workplace Code (Freedom of Association Benchmark FOA.1)

##### Recommendations for Immediate Action

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

1. The factory will arrange for shop steward election to have at least 4 shop steward and 4 assistant shop steward by law.
2. The factory will conduct regular meeting with shop steward to make it functioning.

##### Planned completion date

09/28/19

##### Company Action Plan Update

1. The factory will arrange for shop steward election to have at least 4 shop steward and 4 assistant shop steward by law.
2. The factory will conduct regular meeting with shop steward to make it functioning.

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Health & Safety

### Finding Explanation

1. It was noted that at least 10 fire extinguishers were found with the expired external inspection date from December 2018 at the mixing room, painting workshop, molding workshop and packing workshop. [HSE.5]
2. At least 4 fire extinguishers were found on the ground and not properly mounted. [HSE.5]
3. The fire alarm sound was too soft and the same as the working hours ring tone, that may cause confusion and misunderstanding in case of emergency. [HSE.5]
4. There was no fire hydrant installed at the facility. [HSE.5]
5. Several direction arrows were missing within the workshop for example in the molding section and packing section. Several exit routes were obstructed by trolleys and goods. [HSE.5]
6. The factory does not have emergency lights and exit signs above the emergency exit doors at several area, including the packing area, molding workshop, mixing room, and polishing room. [HSE.5]
7. Several emergency exit doors open inward or are sliding doors instead of doors that open outward. [HSE.5]
8. The factory does not have an evacuation map. [HSE.5]

### Local Law or Code Requirement

Cambodia Labor Law, Article 102 to Article 190; Civil Code, Article 665; Kingdom of Cambodia Labor Law, Chapter VIII, Article 230; Ministry of Industry, Mines and Energy; Law on Administration of factory, Chapter III Industrial Safety, Article 26; Cambodian Labor Law (1997), Art.230; Cambodia Passes Fire Prevention Draft Law, Dec. 14, 2012, chapter (4) Emergency Arrangements and Preparing for Fire Emergencies; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.4, HSE.5, HSE.6)

### Recommendations for Immediate Action

1. Factory shall ensure that fire extinguishers are subject to external inspection at the frequency of every 6 months as stipulated by law.
2. Factory shall properly mount all the fire extinguishers.
3. Factory shall ensure that fire alarm is audible and that it has a different sound than the notification for working hours.
4. Factory shall install proper fire hydrant at the facility.
5. Factory shall ensure directional arrows are properly painted or installed at the workshops and exit routes are free from obstruction.
6. Factory shall ensure that emergency lighting and exits signs are properly installed at all exits.
7. Factory shall ensure that exits doors open outward to facilitate evacuation.
8. Factory shall ensure that evacuation map is available at the facility.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will ensure that fire extinguishers are subject to external inspection at the frequency of every 6 months as stipulated by law.
2. Factory will arrange electrician to properly mount all the fire extinguishers through out the factory.



3. Factory will arrange electrician to install fire alarm is audible and that is has a different sound than the notification for working hours.
4. Factory will contact with 3rd party to install proper fire hydrant at the facility.
5. Factory will ensure directional arrows are properly painted or installed at the workshops and exit routes are free from obstruction.
6. Factory will arrange electrician to install emergency lighting and exits signs are properly installed at all exits.
7. Factory will arrange electrician to install small exits doors open outward to facilitate evacuation.
8. Factory will create evacuation map and post through out the factory.

Planned completion date

09/28/19

Company Action Plan Update

1. Factory will ensure that fire extinguishers are subject to external inspection at the frequency of every 6 months as stipulated by law.
2. Factory will arrange electrician to properly mount all the fire extinguishers through out the factory.
3. Factory will arrange electrician to install fire alarm is audible and that is has a different sound than the notification for working hours.
4. Factory will contact with 3rd party to install proper fire hydrant at the facility.
5. Factory will ensure directional arrows are properly painted or installed at the workshops and exit routes are free from obstruction.
6. Factory will arrange electrician to install emergency lighting and exits signs are properly installed at all exits.
7. Factory will arrange electrician to install small exits doors open outward to facilitate evacuation.
8. Factory will create evacuation map and post through out the factory.

## FINDING NO.8

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

Finding Explanation

1. Workers were not provided with Personal Protective Equipment (PPE), including gloves, masks, and ear plugs for workers in the polishing, spray painting and mixing rooms. Some of these workers should have anti-toxic masks. [HSE.7]
2. At least three ventilation fans in the spray painting section were found with dust or missing covers. [HSE.13]
3. There was no proper ventilation system within the polishing room. During the tour, this section was found with heavy dust and was hard to breathe. [HSE.13]
4. Factory did not conduct an inspection of or provide an operational permit for special machinery, especially for the generator, air compressor and forklift. There was no competency license for special machine operators as well. [HSE.14]
5. The generator room was found with unlocked doors and oil leaking on the ground. No generator records were available for review to

- prove that the generator was properly maintained. Additionally, the restricted area sign was missing and no list of authorized persons was posted within this area. [HSE.14]
6. No proper machine operation instruction or SOP for example on Molding machine. [HSE.14]
  7. At least one electrical panel at mixing room was found fully obstructed by chemical that may cause fire risk. [HSE.5]
  8. The factory could not provide Building Structure Inspection Report, Certificate of Compliance & Certificate of Occupancy &/or external structure stability. [HSE.4]
  9. The factory does not have a clinic room. Additionally, the factory did not sign the contract with doctor or nurse or medical service. Factory management explained that due to the new establishment from March 2019, their system is still in process. [HSE.18]
  10. There are no EHS or HSE Committee Meeting Minutes for previous meetings. [HSE.1]
  11. The factory does not have an incident or accident log book and investigation record. [HSE.3]
  12. There is no First Aid Training certificate or training documents for first aid responders. [HSE.6]
  13. There are no formal emergency preparation program or training procedures. [HSE.5]
  14. There is no analysis of potable water. [HSE.23]
  15. There is no ergonomics program established at the facility. [HSE.17]
  16. The factory did not conduct the risk assessment and health and safety internal inspection. [HSE.1]

#### Local Law or Code Requirement

Prakas on Conditions of Occupational Hygiene and Safety in Garment and Shoe Factories, Articles 4: Use of Chemicals; Article 229 of Cambodia Labour Law; Prakas on Conditions of Occupational Hygiene and Safety in Garment and Shoe factories, Article 3; Cambodia Labor Law article 23, 228-230; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.4, HSE.5, HSE.6, HSE.7, HSE.8, HSE.9, HSE.10, HSE.11, HSE.13, HSE.14, HSE.15, HSE.17, HSE.18, HSE.23)

#### Recommendations for Immediate Action

1. Factory shall ensure that appropriate PPEs are provided to workers for all tasks.
2. Factory shall ensure that ventilation fans are properly installed with covers and regularly cleaned.
3. Factor shall ensure that proper ventilation system is installed at the polishing section.
4. Factory shall ensure that special machines and equipment are subject to proper inspection and the operators receive proper training with relevant permits.
5. Factory shall ensure that generator room has proper access control and generator has proper maintenance and respective records are kept.
6. Factory shall ensure machines are having proper operational instruction and SOP in local language and training is provided to workers.
7. Factory shall ensure that electrical panels are free from any obstruction and away from flammable items and chemicals.
8. Factory shall ensure that proper buildings stability is properly checked and respective reports are obtained.
9. Factory shall ensure that clinic room as well as nurse and doctors are available as per law requirement.
10. Factory shall ensure that HSE committee shall be properly established and regular meetings are carried out.
11. Factory shall ensure that proper incident and accident log with proper investigation records are available.

12. Facility to train a sufficient number of first aid officers.
13. Factory to implement a formal emergency preparation program and training procedures.
14. Factory shall ensure that potable water is subject to regular test and inspection.
15. Factory shall ensure to establish the ergonomics program
16. Factory shall ensure to conduct the Risk assessment and Health and safety Internal inspection.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will purchase appropriate PPEs and provide to workers for all tasks.
2. Factory will arrange cleaner to mention on ventilation fans and electrician to install the fan properly with covers and regularly clean.
3. Factor will install proper ventilation system at the polishing section.
4. Factory will contact with Ministry of industry and handicraft to apply for special machines and equipment for its inspection and the operators receive proper training with relevant certificate.
5. Factory will arrange electrician to keep proper maintenance record for generator room and access control.
6. Factory will ensure machines are having proper operational instruction and SOP in local language and training is provided to workers.
7. Factory will arrange all supervisor to make sure that electrical panels are free from any obstruction and away from flammable items and chemicals.
8. Factory will arrange security guard to check that proper buildings stability is properly checked and respective reports are obtained.
9. Factory will install clinic room as well as nurse and doctors are available as per law requirement.
10. Factory will create HSE committee properly and established with regular meetings are carried out.
11. Factory will provide proper incident and accident log with proper investigation records are available for nurse to investigate the case.
12. Facility will provide a training to first aiders and already contact to doctor to provide the training on 25 Dec 2019.
13. Factory will implement a formal emergency preparation program and training procedures.
14. Factory will contact with drinking water company potable water is subject to regular test and inspection.

15. Factory will establish the ergonomics program

16. Factory will conduct the Risk assessment and Health and safety Internal inspection.

Planned completion date

09/28/19

Company Action Plan Update

1. Factory will ensure that fire extinguishers are subject to external inspection at the frequency of every 6 months as stipulated by law.
2. Factory will arrange electrician to properly mount all the fire extinguishers through out the factory.
3. Factory will arrange electrician to install fire alarm is audible and that is has a different sound than the notification for working hours.
4. Factory will contact with 3rd party to install proper fire hydrant at the facility.
5. Factory will ensure directional arrows are properly painted or installed at the workshops and exit routes are free from obstruction.
6. Factory will arrange electrician to install emergency lighting and exits signs are properly installed at all exits.
7. Factory will arrange electrician to install small exits doors open outward to facilitate evacuation.
8. Factory will create evacuation map and post through out the factory.

## FINDING NO.9

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

Finding Explanation

1. Based on the provided time records, the daily working hours of workers exceeded the legal requirement of two hours per day. The daily working hours are 12 hours (8 regular hours plus 4 overtime hours). The production plan included overtime hours from 2 to 4 hours. No permission from the bureau was available for review during the assessment. [HOW.7]

Local Law or Code Requirement

Kingdom of Cambodia Labor Law Art. 139; Prakas 80/99, 100/02, Notice 014/99; FLA Workplace Code (Hours of Work Benchmarks HOW.7)

Recommendations for Immediate Action

1. Factory shall ensure that overtime hours of workers are in line with law requirement and shall not exceed 2 hours a day. Production plan should not include overtime hours.

## COMPANY ACTION PLANS

## Action Plan no 1.

### Description

1. The factory will arrange production plan not to let workers to work on exceed overtime and not exceed 2 hour per day.

### Planned completion date

09/28/19

### Company Action Plan Update

1. The factory will arrange production plan not to let workers to work on exceed overtime and not exceed 2 hour per day

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

##### Finding Explanation

1. Factory could not provide the payrolls and time records for January, February and March, 2019 for review during the assessment. 61 workers joined the factory between 21 January and March, 2019. Therefore, their payrolls could not be verified. [ER.23]
2. Based on the provided payment for June 2019, at least six workers under the fixed duration contracts (FDC) contract, were paid for annual leave based on their probation wage at \$177 instead of their FDC wage at \$182. [C.5]
3. Unused annual leave is paid based on basic wage instead of employee's average actual earning during the review period. Article 166 of the local law requires the higher of the two to be paid. [C.5]
4. Based on the provided payroll, new workers who had yet to work a full month, but worked more than 14 days, were provided transportation and housing allowance of \$3.5 instead of the full \$7 as required by law. For instance, five new workers who joined on May 6, 2019 (23 working days) were provided transportation and housing allowance of \$3.5 instead of the full \$7. [C.5]
5. Based on the provided payroll, the basic wage differs from the signed FDC contract. Factory management explained that the performance incentive for FDC workers was added into their basic wage (contract basic \$182 plus grading incentive) to compute the overtime compensation. Therefore, the indicated payroll basic wages vary every monthly. For example, a worker could have a basic wage at \$202 for June 2019; then, his/her basic wage was \$182 for August 2019. [C.5]
6. The factory did not register with the NSSF (National Social Security Fund) and workers were not enrolled for NSSF. [C.18]

##### Local Law or Code Requirement

Cambodia Labor Law (Art. 137, 139, 144, 147, Prakas 80/99, 100/02, Notice 014/99); Law on Social Security (2002) and Sub-decree No 16 concerning on establishment of the National, Social Security Fund (NSSF) dated 06 March 2007; Declaration of the Labor Advisory Committee (LAC) dated on 11 July 2012; Notice 230/12 on Housing and Transportation Allowance; Cambodia Labor Law, Article 166-170; FLA Workplace Code (Employment Relationship Benchmarks ER.23, Compensation Benchmarks C.1, C.5, C.18)

##### Recommendations for Immediate Action

1. Factory shall ensure that payroll and time records for all workers are properly maintained and made available for review.
2. Factory shall ensure that workers are properly paid for the annual leave entitlement and retroactive payment shall be made to the affected workers.
3. Factory shall ensure that workers are properly paid for the annual leave and retroactive payment shall be made to all affected workers.
4. Factory shall ensure that workers who are not working for the full month are properly paid for transportation and housing allowance and retroactive payment shall be made to the affected workers.
5. Factory shall ensure that the basic wages on the payroll records shall be in line with the FDC contract.

6. Factory shall properly register workers under NSSF as required by law.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. Factory will prepare payroll and time records for Jan, Feb and Mar 2019 for all workers to properly maintained and made available for review.
2. Factory will discuss with top management to ensure that workers are properly paid for the annual leave entitlement and retroactive payment shall be made to the affected workers.
3. Factory will provide workers who are not working for the full month are properly paid for transportation and housing allowance and retroactive payment and include in their payroll.
5. Factory will write new contract which include basic wage accurate with payroll records to be in line with the FDC contract.
6. Factory will register workers under NSSF as required by law.

#### Planned completion date

09/28/19

#### Company Action Plan Update

1. Factory is in progressing to prepare payroll and time records for Jan, Feb and Mar 2019 for all workers to properly maintained and made available for review and plan to finish in the end of Dec 2019.
2. Factory will discuss with top management to ensure that workers are properly paid for the annual leave entitlement and retroactive payment shall be made to the affected workers.
3. Factory will provide workers who are not working for the full month are properly paid for transportation and housing allowance and retroactive payment and include in their payroll.
5. Factory already wrote new contract which include basic wage accurate with payroll records to be in line with the FDC contract.
6. Factory will register workers under NSSF as required by law.

## FINDING NO.11

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Environmental Protection

#### Finding Explanation

1. There were chemicals not properly labelled, missing secondary containment and without material safety data sheets (MSDS) in the painting workshop, mixing room, chemical storage areas, spray painting section, and molding section. [HSE.11]
2. There were no documents or permits related to the Environment available for review. [HSE.4]
3. There was no hazardous waste storage within facility. [HSE.1]

#### Local Law or Code Requirement

### Recommendations for Immediate Action

1. Factory shall ensure that chemicals are properly labelled and proper MSDS are available. Besides, there shall be proper secondary containment installed for all chemicals as well.
2. Factory must obtain proper environmental permit and documentation per law requirement and make available for assessor review.
3. Factory to establish a hazardous waste storage area and hazardous waste shall be properly segregated and stored.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

1. The factory will contact with chemical supplier to get all chemicals with its MSDS.
  2. The factory will translate all MSDS to local and post through out the production area and ensure all are properly labelled and proper MSDS are available.
  3. The factory will arrange responsible person to install proper secondary containment for all chemicals as well.
  4. The factory is in progress to contact with environment ministry to apply for environmental permit and documentation per law requirement and make available for assessor review.
3. Factory will establish a hazardous waste storage area and hazardous waste shall be properly segregated and stored.

#### Planned completion date

09/28/19

#### Company Action Plan Update

1. The factory already contacted with chemical supplier to get all chemicals with its MSDS, for now just get only some chemical MSDS, for the rest of MSDS, supplier will provide to factory no later than end of December 2019.
  2. The factory already translated some MSDS to local and post through out the production area and ensure all are properly labelled and proper MSDS are available.
  3. The factory is in progressing to arrange responsible person to install proper secondary containment for all chemicals as well.
  4. The factory is in progressing to contact with environment ministry to apply for environmental permit and documentation per law requirement and make available for assessor review.
3. Factory is in progressing to install hazardous waste storage area and hazardous waste shall be properly segregated and stored.