



FAIR LABOR
ASSOCIATION[®]

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Pou Chen
COUNTRY: Cambodia
ASSESSMENT DATE: 09/05/19
ASSESSOR: Social Compliance Services Asia
PRODUCTS: Footwear
NUMBER OF WORKERS: 2431

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	5
Hours of Work	1
Employment Relationship	24
Health, Safety, and Environment	14
Nondiscrimination	1

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

The hiring and recruitment policy is missing elements, including detailed procedures for protection and requirement for recruiting special categories of workers and foreign expatriate workers, including prohibiting charging introduction fees and recruitment by internal or external agent. The policy is also missing comprehensive performance review procedures, performance reviews including steps and processes, linkages to job grading, nondiscrimination, written feedback, and compliance with legal requirements. The factory also does not have a comprehensive personnel development policy and procedure which encourages ongoing training and raising or broadening skills in order to advance workers in their careers. The policy and procedure on the promotion, demotions, and job reassignment is also not comprehensive. [ER.1, ER.28, ER.29, ER.30]

The compensation policy is missing elements, such as commitment to progressively review wages to achieve a level that meets workers' basic needs. The facility does not have detailed written guidelines on a special wage and benefits structure for special categories of employees, such as disabled workers, as well as the newly established indemnity bonus for undetermined duration contract (UDC) workers. There are policies on compensation that are not in line with legal requirements, such as the payment of the attendance bonus for workers not working for a full month. [C.1, C.17]

Working hours policies and procedures are missing elements, such as the commitment to transparency, general process flow for troubleshooting for unusual business circumstances and communication process to employees and service providers about unusual business circumstances and their impact on production schedules, steps for workers to file complaints regarding forced overtime without fear of retaliation, and detailed procedure to manage the working hours for expatriate workers. [HOW.1, HOW.8, HOW.9]

Termination policy and procedures are missing elements of a description of the appeals process available to the employee if he or she is terminated with a cause. The retrenchment policy does not include detailed methods for calculating final payouts, in accordance with legal requirements. [ER.1, ER.32]

The industrial relations policy is missing elements, such as a procedure to ensure that the right of workers to participate in strikes under the law and guidance on communicating, protecting, and recognizing workers' right to organize, establish and join organizations of their own choosing; procedures on the steps or mechanism(s) for notifying the workforce of the outcome of a dispute settlement process, a commitment to non-obstruction and non-retaliation; non-discrimination against union members and preventing anti-union violence. [FOA.1, FOA.2, FOA.22]

Workplace conduct and discipline policies missing the element of written statement on prohibition of any form of harassment and

abuse, commitment to non-discrimination and fairness, third party witness and the procedure for employees to appeal the disciplinary action, and the mechanism to avoid any type of harassment, abuse and discrimination against employees when implementing disciplinary measures. Additionally, the disciplinary procedure is in line with the FLA requirement as the production bonus is linked to disciplinary actions. [ER.1, ER.27, H/A.1]

Grievance policy is missing the elements of allowing a direct settlement of the grievance by the worker and the immediate supervisor, commitment to confidentiality when receiving and acting upon grievances or complaints, steps and mechanisms of communicating the grievance procedure and its updates to employees; prohibition of retaliation against employees who lodge complaints or grievances and appeal system & procedure in place. [ER.25]

There is a group environmental policy and procedure in Chinese used by the facility, without proper customization to this specific facility. The environmental policies are missing the elements of environment objectives, a statement of commitment for continuous improvement; procedures for reporting environmental emergencies and protections for workers who allege environmental violation, managing environmental impact inside the factory. [ER.31]

There is a group health and safety procedures used at the facility without proper customization, such as the ergonomic policy is in Chinese and Vietnamese. In addition, the policy is missing the elements of allowing individual workers to raise health and safety concerns without retaliation, the element of allowing workers to refuse to perform work under unsafe condition without facing any negative consequence. [HSE.1, HSE.16, ER.31]

Local Law or Code Requirement

AC Award 62/04, 63/04, 10/12(20); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.27, ER.28, ER.29, ER.30, ER.31, ER.32; Compensation Benchmarks C.1 and C.17; Hours of Work Benchmarks HOW.1, HOW.8, HOW. 9; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.22; Harassment and Abuse Benchmarks H/A.1; Health, Safety and Environmental Benchmarks HSE.1 and HSE.16)

Root Causes

1. The facility is relatively new and are still in the midst of strengthening their compliance management system and the compliance team.
2. There is a gap between the group compliance team and compliance team at the facility on updating and customizing the compliance management system and related policies and procedure.
3. The factory management has committed to the FLA Workplace Code and Benchmarks, but some of them still do not have sufficient awareness of FLA requirements in particular for the local staff.
4. The factory has regular internal assessments, however, the assessments are not comprehensive enough to cover the entire compliance system and are mainly on the implementation aspect.
5. Some policies and procedures are made at the corporate level and then need to be translated and customized for each facility, which can take some time.
6. Regular review system on the policies and procedures has yet to be effectively implemented.

FLA's Recommendations for Sustainable Improvements

1. Study details about FLA Workplace Code and Benchmarks and assign responsible staff for each employment function and clearly define them in writing.
2. Provide regular training on FLA Workplace Code and Benchmarks to all factory compliance responsible team.
3. Conduct detailed and regular assessment and cover all FLA Workplace Code and Benchmarks.
4. Conduct regular review on policies and procedures to update them with the practice at the facility accordingly. Monitor and evaluate the corrective action and preventive action after the review and assessment.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The checking list of policy and procedures shall be in place, and those documents shall be renewed annually:

1. Based on the adjustment of local law and group regulations, the internal policy and procedure will be modified accordingly by November every year.

2. With the suggestion from local administrative office and legal department, the updated internal policy and procedures shall be finalized by December every year.

Planned completion date

10/01/19

Company Action Plan Update

The internal policy and procedure have been updated annually.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

The factory provides ongoing training to employees across different employment functions. However, at least 50% of interviewed workers were not fully aware of most of these policies, except for Wage calculation and Working hours. [ER.1, ER.28]

Around 50% of workers interviewed were not aware of the grievance channels and how grievances are handled. The majority of workers interviewed were not aware of freedom of association policy and not aware of who the shop stewards or union leaders are. [ER.1, ER.28]

No special training on harassment and abuse policy is provided to expatriate leaders. [ER.1, ER.2, ER.17]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.17, and ER.28)

Root Causes

1. The factory management has committed to the FLA Workplace Code and Benchmarks, but some management does not have sufficient awareness of FLA requirements.
2. Training plan is not effectively designed in accordance with the training needs assessment.
3. Designated local training staff has insufficient experience and expertise in the carrying out of the training and evaluating the effectiveness.
4. The majority of workers are from a nearby village where education levels are low; it might take them a longer amount of time to understand the content of the training.
5. Lack of effective internal assessment and management to ensure that effective compliance and training systems are in place.
6. Some policies and procedures are incomplete.

FLA's Recommendations for Sustainable Improvements

1. Review and update the factory's relevant policies and procedures for training on the factory's policies and procedures.
2. Clearly define the responsible staff for each training and customize the training to make it effective for workers.
3. Provide training on the updated relevant policies and procedures regarding all Employment Functions to responsible staff and all workers regularly. Also, evaluate the training effectiveness.
4. Carry out a proper training needs assessment. Set up a training plan with sufficient resources to ensure that ongoing trainings are carried out.
5. Engage with an external training agent to train the trainers to ensure responsible staff are capable of conducting the training.
6. Conduct detailed regular assessment and cover all FLA Workplace Code and Benchmarks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.Review all training materials to ensure all information are updated.
- 2.Publish all the policy on announcement board in the production area.
- 3.Make an announcement regarding to updated policy at monthly meeting with workers.
- 4.Provide friendly workplace training to overseas supervisors quarterly.
- 5.All supervisors shall sign on no harassment and abuse policy to commit that they will not violet the policy.

Planned completion date

10/01/19

Company Action Plan Update

- 1.All training materials have been reviewed.
- 2.All the policy have been posted on announcement board in the production area.
- 3.The updated announcement has been communicated to workers at monthly meeting.
- 4.Friendly workplace training has been provided to overseas supervisors in November 2019.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

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 or 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]
From worker interviews, workers were not aware of the right to refuse work in unsafe condition. No workers reported that they felt unsafe from the interviews. [HSE.16]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.25.2; Health, Safety and Environment HSE.16)

Root Causes

1. Training for workers is not effective.
2. The factory was established less than two years ago and the compliance team and management staff have less experience in handling the compliance management system.
3. There are missing relevant policies and procedures for training and communication. The responsible teams and the sections are not effectively defined in the factory for compliance management system.
4. There are local compliance staff, but the staff have limited specific training on FLA Workplace Code and Benchmarks.

FLA's Recommendations for Sustainable Improvements

1. Review and update factory's relevant policies and procedures for workers' training and involvement.
2. Clearly define the responsible staff for each function including training, communication and worker involvement.
3. Provide training on the updated relevant policies and procedures regarding all Employment Functions including Worker Involvement and Integration to responsible staffs and all workers regularly. The evaluation after training should be conducted.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Invite the union to attend the discussion meeting with factory management to get their opinions about the management procedures annually.
2. Review the training materials and remind employee the information that they have right to refuse to work when they aware of danger working environment.

Planned completion date

10/01/19

Company Action Plan Update

1. The management-union discussion meeting has been held quarterly.
2. The training materials have been updated and the training has been applied to workers to notice their right to refuse working in the danger working environment.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory lacks an effective policy and procedures to regulate regular reviews of existing policies and procedures. Hence, a comprehensive regular review has not been effectively conducted to ensure that they are effective or 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, ER.31)

Root Causes

1. There are missing relevant parts of the policies and procedures. The facility does not clearly define the responsibility of teams or sections in the factory for reviewing the compliance management system.
2. The local compliance staff are relatively new as the facility was established less than two years ago and has not received sufficient specific training on FLA Workplace Code and Benchmarks.
3. The factory has internal assessments and regular management reviews, however, it is still not effective or comprehensive to assess the factory's compliance system.

FLA's Recommendations for Sustainable Improvements

1. Conduct a regular review on all the policies and procedures and ensure all the updated policies and procedures are in line with local law and FLA Benchmarks.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The checking list of policy and procedures shall be in place, and those documents shall be renewed annually:

1. Based on the adjustment of local law and group regulations, the internal policy and procedure will be modified accordingly by November every year.

2. With the suggestion from local administrative office and legal department, the updated internal policy and procedures shall be finalized by December every year.

Planned completion date

10/01/19

Company Action Plan Update

The internal policy and procedure have been updated annually.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

More than 300 workers do not have employment cards. [ER.1, ER.2]

The facility has yet to establish a comprehensive monitoring system to monitor subcontractors, currently only security guards. The facility does not regularly obtain and review the personnel files, contracts, working hours, wages and other related records for subcontracted workers. [ER.1, C.1, HOW.1]

Resignation procedures are not well communicated to the respective staffs and workers. There were no cases of resignation in the past 12 months, only cases of workers leaving the facility without prior notification. [ER.32]

There is a camera near the conveyor belt of the lasting section. The camera does not have a proper sign or notice available to communicate to workers that they are being monitored. The facility reported that it was a built in feature part of the machines and no footage was kept. [ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.25, ER.32; Compensation Benchmarks C.1; Hour of Work Benchmarks HOW.1) Cambodia Labor Law, Section IV, Article 32

Root Causes

1. Slow processing of the employment cards by the local bureau.
2. Compliance team at the facility is not fully aware of the potential risk and importance of monitoring subcontracted workers.
3. The facility does not clearly define the responsibility of teams or sections to be responsible for the tasks.
4. The local compliance staff are relatively new as the facility was established less than 2 years ago and had not received sufficient specific training on FLA Workplace Code and Benchmarks.

Recommendations for Immediate Action

1. Work with the local bureau to expedite the processing of the employment cards.
2. Establish a system to regularly monitor the compliance status of subcontractors working at the facility.
3. Properly communicate the resignation policy to workers, production related personnel and the HR staff to ensure that all workers and respective staff are fully aware of the policy and procedure.
4. Properly communicate the function of the cameras and the handling of images and recordings.

FLA's Recommendations for Sustainable Improvements

1. Carry out regular internal assessment and reviews on the human resource management system and identify the gaps and areas which require enhancement.
2. Provide regular specific training on human resources and compliance staff to ensure that they have sufficient knowledge on FLA Workplace Code and Benchmarks
3. Establish proper policy and procedures that are regularly reviewed by the human resource and compliance system at the facility.
4. Regularly review and update the system, policies and procedure to ensure that they are in lines with the current practices and the FLA requirement.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.The employment card for all employees shall be in place and manage it with the checking list.
- 2.Review the subcontract workers, including their working hours, wages, personnel files, and etc. The factory shall help subcontractors to be in compliance with local law by Mar. 2020, and it will be the crucial factors for subcontractor selection.
- 3.The training materials of resignation procedure shall be updated, and the training shall be applied to all workers. And the resignation procedure will be communicated and well explained to workers in the monthly worker-management communication meeting.
- 4.The proper sign shall be placed to notice the worker that they are being monitored.

Planned completion date

10/01/19

Company Action Plan Update

- 1.All employment card were in place, and the checking list was implemented to manage the employment card since November 2019.
- 2.The training materials of resignation procedure has been updated in September 2019. And the training and communication meetings have been continuously conducted for all workers.
- 3.The proper sign has been placed to notice the worker that they are being monitored in the building since December 2019.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

If a worker is tardy, they are deducted a standard unit of 30 minutes, independent of how many minutes they were tardy. [C.1, HOW.18]
The factory implements the practice of deducting from the attendance bonus for workers who take three days of approved sick leave. [C.18]

Workers do not get any productivity bonus if they are absent without approval. The procedure also linked the productivity bonus with disciplinary actions. However, in practice, there are no workers who have had their productivity bonus deducted due to disciplinary action. [C.18]

Local Law or Code Requirement

Cambodia Labor Law, Article 28, 126,127; AC Awards 02/03, 21/03, 30/03, 60/04, 19/12 (3), 101/12 (3), 158/12 (6); FLA Workplace Code (Hour of work HOW.18, Compensation C.1, C.18)

Root Causes

1. The local compliance staff are relatively new as the facility was established less than 2 years ago. They have not received sufficient specific training on FLA Workplace Code and Benchmarks.
2. Lack of an effective system to regularly review current management systems and the practices in order to identify the gaps with the prevailing law and FLA requirements.
3. Current time recording system and software has limitation on calculation of tardiness.
4. Production management staff lack knowledge on the FLA Workplace Code and Benchmarks requirement.

Recommendations for Immediate Action

1. Ensure that the wages of workers' tardiness are properly deducted based on the actual minutes of tardiness.
2. Ensure attendance bonuses are paid proportionally for workers who are taking sick leave.
3. Ensure production bonus shall be deducted proportionally for workers who are absent without prior notice.

FLA's Recommendations for Sustainable Improvements

1. Provide regular specific training to human resource and compliance staff to ensure that they have sufficient knowledge on FLA Workplace Code and Benchmarks
2. Establish proper policy and procedures on regularly reviewing the human resource and compliance system at the facility.
3. Regularly review and update the system, policies, and procedure to ensure that they are in line with the current practices and the FLA requirement and prevailing law.
4. Carry out regular assessment and management review on the current human resource and compliance practices and carry out corrective actions to address the issues identified.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.The policy of being tardy shall be continuously communicate to workers, and the supervisors shall make sure the tardy worker can't work during their 30 minutes leave.

2.The updated policy for attendance bonus shall be modified and implemented by April 2020.

3.The productivity bonus policy shall be modified, and the punish rule will be deleted.

Planned completion date

1.The policy of being tardy has continuously communicating to all workers through orientation and on-job training.

2.The productivity bonus policy has been modified and announced in October 2019.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

The factory does not have a proper plan for annual leave, hence, there were workers who were not able to use at least 12 days annual leave in a year, which is not in line with prevailing legislation. Workers are given information on annual leave entitlement and balance of leave, but the factory does not actively encourage or plan for workers to use their annual leave. [HOW.1, HOW.13]

Local Law or Code Requirement

Cambodia Labor Law, article 167; FLA Workplace Code (Hour of work Benchmarks, HOW.1 and HOW.13)

Root Causes

1. The local compliance and human resource management staff were relatively new as the facility was established less than two years ago and have yet to receive sufficient training on FLA Workplace Code and Benchmarks. There is a lack of knowledge on law requirement.
2. Lack of effective system to regularly review the current management system and practices in order to identify the gaps with the prevailing law and FLA requirement.
3. There is a tight production schedule as well as the facility trying to comply with the overtime hours limit set by the bureau.
4. Workers prefer to earn more in order to support their family and daily life, hence, they do not have incentive to go for the annual leave.

Recommendations for Immediate Action

1. Factory shall have a proper plan for annual leave so that workers are able to properly use their annual leave.

FLA's Recommendations for Sustainable Improvements

1. Establish proper policy and procedure to ensure that annual leave is formulated and workers take annual leave.
2. Production department and HR department staff are trained on respective policies regularly to ensure that they are being implemented. Regular monitoring on the status of the annual leave taken also be carried out to align with the production related planning.
3. Establish proper policy and procedure to regularly review human resource and compliance systems at the facility.
4. Regularly review and update the system, policies, and procedure to ensure that they are in line with the current practices and the FLA requirement and prevailing law.
5. Carry out regular assessment and management review on the current human resource and compliance practices and carry out corrective actions to address the issues identified.

COMPANY ACTION PLANS

Action Plan no 1.

Description

With the nature of local workers that workers are not used to use annual leaves, the factory shall continuously make an announce and communicate to workers that they should use at least 12 day's annual leave a year during the meeting with workers and the union.

Planned completion date

10/01/19

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The areas near the laboratory were missing the evacuation plot plan and directional signs. The factory painted the evacuation directional signs on the second day of the assessment. [HSE.1, HSE.5]

Some evacuation plot plans were missing "you are here" indicators in the canteen and the training center. [HSE.1, HSE.5]

Fire alarm panel had error blinking signs and the factory was in the midst of fixing the issues. [HSE.1, HSE.5]

There were electrical wires laying on the floor in the stitching section of Block F which creates the risk of tripping and can hinder evacuation during the emergency. [HSE.1, HSE.13]

Evacuation routes for workstation at the stitching section at block F was narrow and the floor markings did not reflect the actual evacuation route. [HSE.1, HSE.5]

Missing exit signs at the shoe last warehouse in block D and polishing section at block B. [HSE.1, HSE.5, HSE.6]

There were sundries and materials piling up at the generator and compressor room which creates fire risk. [HSE.1, HSE.13, HSE.14]

Local Law or Code Requirement

Ministry of Industry, Mines and Energy; Law on Administration of factory, Chapter III Industrial Safety, Article 26; Cambodian Labor Law (1997), Art.230; Cambodia Fire Prevention Law, Dec. 14, 2012, Chapter 4; FLA Workplace Code (Health, Safety and Environment HSE.1, HSE.5, HSE.6, HSE.13 and HSE.14)

Root Causes

1. The co-ordination between the compliance responsible personnel and health & safety committee requires further development.
2. The respective trainings to the health and safety staff and committee members are not effective.
3. Regular monitoring is not effectively implemented by health and safety staff and the health committee is not effectively carrying out the function.
4. Ineffective training is provided to workers and lack of effective tracking on the training effectiveness.
5. Health and safety policies and procedures are missing elements of regular review and updates on risk assessment.
6. Workshop F and some others areas have gone through re-arrangement of the layout and some of the health and safety conditions were therefore not addressed in a timely manner.

Recommendations for Immediate Action

1. Factory shall ensure proper evacuation plot plan is available in laboratory areas and proper direction signs shall also be available.
2. Factory shall ensure that evacuation plot plans are with sufficient information and has the "you are here" indicators.
3. Factory shall ensure that fire alarm system is in working condition and regular inspections shall be carried.
4. Factory shall ensure the electrical wires are properly handled to prevent any potential risk of tripping.
5. Factory shall ensure that the evacuation routes are with sufficient width and the floors are properly marked with directional signs to direct workers to the exits.
6. Factory shall ensure that exits signs are available at all emergency exits. Regular inspections shall be carried out.
7. Factory shall ensure that the generator and compressor room are free from excessive sundries and materials to prevent fire risk.

FLA's Recommendations for Sustainable Improvements

1. Establish and refine the policies and procedure for fire safety to include all aspects and designate sufficient trained personnel to ensure proper implementation of the compliance system.
2. Engage external training agent to provide additional training to the members of the health and safety committee.
3. Revamp the system of risk assessment to ensure that potential risks are being identified.
4. Incorporate production related personnel to the regular health and safety committee so that the production plan, development project are able to be included on the regular health and safety committee meeting and related measures are able to be taken.
5. Enhance the training plan to ensure refreshment training and ongoing training is provided to the workers and respective health and safety personnel regularly.
6. Carry out effective regular internal assessment and management review on the current compliance management system to identify the gaps and implement proper corrective action plan and preventive action to address the gaps and issues raised.

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.The evacuation directional signs shall be painted.
- 2.Check all the evacuation map in the factory, and make up all the "you are here" indicators on the map.
- 3.The error blinking signs of fire alarm panel shall be fixed.
- 4.Use tape to organize the electrical wires laying on the floor, and make the wires clear to see.
- 5.Check the space and make the correct evacuation sign. The factory shall rearrange the area and update the floor markings.
- 6.The exit signs shall be put on in block D and block B.
- 7.Remove the materials out and clean the generator and compressor room.

Planned completion date

10/01/19

Company Action Plan Update

- 1.The evacuation directional sign has been painted on 2019/9/6.
- 2.Post "you are here" on all the evacuation maps on 2019/9/6.
- 3.The electrical wires laying on the floor have been organized and identified with yellow tape on 2019/9/6.

4. The exit signs have been put on in block D and block B in December 2019.
5. The error blinking signs of fire alarm panel has been fixed by March 2020.
6. The evacuation routes have been re-arranged, and the correct evacuation sign and floor markings were in place by March 2020.
7. The materials in the generator and compressor room were removed by February 2020.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

There were cracks found on the wall and floor of the warehouse at block D. During the second day of assessment, the facility fixed the crack on the floor. [HSE.1]

Food samples are not kept. Per international standards, food should be kept for 72 hours in the case it needs to be tested. [HSE.22]

Workers are not properly using machines guards as they are lifting eye shields and/or not using protective guards on stitching machines. [HSE.14]

The fire tank area did not have proper signs to label it a confined space or restricted access for unauthorized access signs. [HSE.13]

The factory has an incomplete ergonomic program. Some long-standing workers are not provided with floor mats or proper ergonomic training. [HSE.17]

Toilet doors are damaged and need repair. Additionally, there are no hand drying facilities in the rest rooms. [HSE.19, HSE.20]

The first aid kit in the canteen does not have burn cream. The factory added the burn cream on the second day of the assessment. [HSE.6, HSE.18]

There were no speed limit signs for vehicles in the facility. The factory put up the speed limit signs on the second day of assessment. [HSE.19]

Based on records, the factory was in the midst of arranging the occupational health check for 2019, including around 30 workers who were new to the working screen-printing section. [HSE.11]

Machines in the lasting and cutting sections were not properly marked or contained instructions in the local language. [HSE.10]

Local Law or Code Requirement

Cambodian Labor Law, Art.229-230, 247; FLA Workplace Code (Health, Safety and Environment HSE.1, HSE.6, HSE.10, HSE.11, HSE.13, HSE.14, HSE.17, HSE.18, HSE.19, HSE.20, HSE.22)

Root Causes

1. There was construction work and explosive items used in the area surrounding the facility and the vibration caused by the construction work impacted the building.
2. Regular monitoring is not effectively implemented by health and safety staff. The health committee is not effectively carrying out its function on risk identification.
3. Ineffective training provided to workers and lack of effective tracking on the training effectiveness
4. Health and safety policies and procedures are not regularly reviewed or updated.
5. There is a lack of a suitable local expert and equipment in Cambodia to support the ergonomic program and there was also cost concern for the ergonomic program.
6. The facility is still in the midst of upgrading the restroom facilities, including the hand drying facility.
7. The vehicle management procedure is not properly communicated to management staff.
8. The health check bureau only provides the services to facility when they have sufficient numbers of workers required to have the health check. The screen printing section is newly set up at the facility and there are insufficient number of workers for the bureau to conduct the health check.

Recommendations for Immediate Action

1. Factory shall carry out proper remediation work and conduct a professional assessment on the building stability.
2. Properly store food samples for the amount of time that complies with international standards.
3. Factory shall ensure that workers are properly using the machines guards.
4. Proper warning signs shall be posed out in the confine space areas as according to the respective policy.
5. Factory shall properly establish the ergonomic program to prevent workers suffering from occupational injuries due to the repetitive works.
6. Factory shall ensure that toilet doors are in good condition and hand drying facilities are available at the facility.
7. Factory shall ensure that proper first aid kits supplies are available at the first aid kits according to the risk assessment.
8. Factory shall ensure that proper speed limit signs shall be put up at the facility and the drivers are properly communicated with respective policy.
9. Factory shall ensure that occupational health check is provided to workers who are handling the hazardous chemicals and factors.
10. Factory shall ensure that machines buttons are with proper marking in local language and instruction in local languages shall also be available.

FLA's Recommendations for Sustainable Improvements

1. Ensure proper policies and procedures for health and safety are properly established and regularly review and updated based on the risk assessment and changes in legislation.
2. Enhance the function of the health and safety committee and engaged external agents to provide training to the members of health and safety committee and respective staffs.
3. Enhance the training plan to ensure refresher training is provided to the workers and respective personnel regularly.
4. Carry out regular internal assessments and management review on the current compliance management system to identify the gaps and implement proper corrective action plan.
5. Establish proper procedures for occupational health check and work with the production planning department to proactively plan for regular occupational health check so as to ensure that health check can be carried out periodically.
6. Conduct further study on the ergonomic program and feasibility in implementing the program with aligning with the current production flow and process. Adopt latest technology to reduce the cost.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Check and evaluate the cracks.
2. Clarify the responsibility of department, and keep food sample for 72 hours.
3. Conduct the weekly audit of machine safety, and the audit results shall be part of employees bonus criteria.
4. Check all factory and decide where shall add the label, and make sure those confined spaces are marked with warning signs.
5. Evaluate the place and apply the floor mats for needed workers, and provide ergonomic training to overseas supervisor by Sep. 2020.
6. Check and fix all the broken doors of toilet, and provide towels outside the toilet by Mar. 2020.
7. Check the content of all aid kits weekly, and make sure burn cream in all aid kits.
8. Set up the speed limit sign on site in the factory.
9. Arrange the printing area workers to do the occupational health check.

10. Check all the production area to make sure proper machine instruction with local language and correct contents are provided.

Planned completion date

10/01/19

Company Action Plan Update

1. The cracks have been fixed on 2019/9/6.

2. The food sample has been kept for 72 hours since 2019/9/6.

3. The weekly audit of machine safety has been conducted since December 2019.

4. Confined space or restricted access for unauthorized access signs have been posted in December 2019.

5. The burn cream have been placed in all aid kits on 2019/9/6, and the factory has kept checking the content of aid kits weekly.

6. The speed limit sign has been set up on 2019/9/6.

7. All machine instructions were in place with local language.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

There were chemical containers in the generator areas without proper safety labels. The factory added the labels on the second day of assessment. [HSE.1, HSE.9]

There was water present in the hazardous waste storage area. The factory rectified it on the 2nd day of assessment. [HSE.1, HSE.9]

Local Law or Code Requirement

Prakas on Conditions of Occupational Hygiene and Safety in Garment and Shoe factories, Article 3 & Articles 4; FLA Workplace Code (Health, Safety and Environment HSE.1, HSE.9)

Root Causes

1. Regular monitoring is not effectively implemented by health and safety staff. The health and safety committee does not effectively carry out its function on risk identification.
2. Ineffective training provided to workers and personnel who are responsible for the chemical safety & environmental protection due to lack of the effective evaluation on the training effectiveness.
3. Health and safety policies and procedures are missing elements of regular review and updates on risk assessment.
4. The coordination between the responsible compliance staff person and the health & safety committee requires further enhancement.

Recommendations for Immediate Action

1. Ensure that proper safety labels are affixed on all chemical containers in all appropriate languages.
2. Ensure that hazardous waste storage areas are properly maintained and free from other waste.

FLA's Recommendations for Sustainable Improvements

1. Enhance the coordination between the compliance responsible personnel with the health and safety committee.
2. Enhance the current policies and procedure with respect to chemical safety and hazardous waste handling.
3. Provide ongoing training to workers and specific personnel to ensure that chemical safety and hazardous waste handling is effectively implemented.
4. Enhance the training plan to ensure refreshment training and ongoing training is regularly provided to the workers and respective personnel.
5. Carry out effective regular internal assessment and management review on the current compliance management system to identify the gaps and implement proper corrective action plan and preventive action to address the gaps and issues raised.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Check all the chemical containers for all proper labels.
2. Confirm all the containers of chemical.
3. Add label on those without proper safety label on 9/6 .
4. Check and confirm the leak reason.

5. Clean the water and check the leak location.

Planned completion date

10/01/19

Company Action Plan Update

1. The proper labels have been posted on all the chemical containers.
2. Check and confirm the leak reason, and the factory has ensured that the leakage was not caused by the broken of secondary container.