



VERIFICATION OF REMEDIATION AT HUEY CHUEN (CAMBODIA) CO. LTD.

On July 18, 2011, the Fair Labor Association (FLA) released an investigation report and corrective action plan (CAP) regarding allegations of occupational safety and health issues, in particular around the fainting incident of workers, at Huey Chuen (Cambodia) Co. Ltd (“Huey Chuen”) factory in Cambodia. PUMA, the FLA affiliated company that requested the investigation, sources footwear at Huey Chuen. PUMA, in conjunction with the factory, developed a comprehensive CAP with clear timelines, as well as a process to verify its implementation.

In early December 2011, PUMA provided the FLA with an update on the implementation of the CAP at Huey Chuen. Due to the technical nature of the issues identified in the investigation and in the CAP, FLA decided to independently verify the remediation by re-commissioning the independent occupational safety and health expert that conducted the original investigation to conduct the verification.

Verification Overview

In February 2012, the investigator visited Huey Chuen to verify implementation of the CAP. The terms of reference for the verification were:

The investigator will examine PUMA’s Corrective Action Plan dated November 24, 2011, and verify its implementation as reported in the Plan. In conducting the verification, the investigator will:

1. Review the original allegations and findings that led to the creation of the corrective action plan;
2. Get an update of the dialogue between Better Factories Cambodia and brands on workplace conditions in footwear factories in Cambodia to inform understanding of issues surrounding health and safety in these factories;
3. Evaluate the effectiveness of the remediation plan and its timeline;
4. Assess the prioritization of remedial actions and provide recommendations, where necessary;
5. Report on new/additional health and safety-related issues in the factory and recommended remediation steps, if relevant.

A summary of the verification findings is provided below; the full investigator’s report is available at <http://www.fairlabor.org/report/huey-chuen-co-ltd-factory-cambodia>.

Verification Methodology

The verification comprised:

- A review of all relevant documents and records;
- A full site assessment;
- Minor industrial hygiene testing;
- Interview with relevant persons, including senior management, workers, and union representatives;
- An occupational health and safety risk assessment.

Summary of Verification Findings

Since the publication of the investigation report and the development of the CAP, a number of issues were verified to have been improved and/or corrected. Areas where improvements were made and issues have been resolved include:

- Chemical storage;
- Vacuum extraction of chemicals;
- Canteen availability;
- Provision of breakfast;
- Toluene removed;
- Worker training on HIV/AIDS and reproductive health issues;
- Supervisory training for foreign supervisors on skills and cultural norms;
- Control on overtime hours;
- Fire safety drills conducted.

Although improving occupational health and safety is an ongoing process, the investigator conducted a risk assessment of remaining issues and highlighted areas requiring urgent action based on risk to the lives of workers. The issues the investigator identified as extreme risk (requiring immediate action) include:

- 1) develop a comprehensive occupational health and safety management system;
- 2) ensure electrical safety;
- 3) ensure heavy machinery safety;
- 4) ensure machine guarding; and
- 5) provide appropriate personal protective equipment to prevent chemical absorption.

The issues the investigator identified as high risk (requiring attention) include:

- 1) lighting
- 2) noise protection
- 3) heat
- 4) transportation to and from work
- 5) sanitation
- 6) contracts
- 7) labor relations
- 8) occupational and health committee
- 9) chemical management, including appropriate education and training

FLA Recommendations

The FLA recommends that PUMA continue to work closely with Huey Chuen to address issues that require further remediation. In particular, the FLA urges PUMA and Huey Chuen to:

- 1) revise the CAP to reflect the issues identified in this verification report;
- 2) prioritize and address the issues identified as extreme risk and high risk as listed above; and
- 3) consider the recommended remediation steps outlined in the report.