



Factory Assessment Report

Sustainable Compliance Initiative (SCI)

Companies that join the Fair Labor Association (FLA) agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

FLA member(s)	Alo, LLC - 6238
Country	Cambodia
Assessment Date	7/7/2026
Assessment Company	OneStep Viet Co., Limited - 200005

Workforce Summary

Number of Workers	836
Percentage female	70 %
Primary Languages	Khmer

Wage Data information

Monthly minimum wage in country at time of assessment	TBC
GLWC living wage benchmark for the country or relevant region at time of assessment	TBC

Assessment Summary

Violations per FLA Code Element	Violated Benchmarks
Nondiscrimination (ND)	0
Health, Safety And Environment (HSE)	8
Employment Relationship (ER)	1
Hours Of Work (HOW)	3
Harassment Or Abuse (HA)	0
Freedom Of Association And Collective Bargaining (FOA)	0
Forced Labor (F)	0
Child Labor (CL)	0
Compensation (C)	1

Violations per Category	Violated Benchmarks
Immediate Action Required	12
Sustainable Improvement Required	1
Uncorroborated Risk of Non-Compliance	0
Notable Feature	0

24-Hour Findings Summary

24h Violations per FLA Code Element	Violated Benchmarks
Nondiscrimination (ND)	0
Health, Safety And Environment (HSE)	3
Employment Relationship (ER)	0
Hours Of Work (HOW)	1
Harassment Or Abuse (HA)	0
Freedom Of Association And Collective Bargaining (FOA)	0
Forced Labor (F)	0
Child Labor (CL)	0
Compensation (C)	1

Details 24h Findings

Benchmark
Benchmark ID
Benchmark Details

Compensation (C)
 C.17
 Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.

Finding Details

(24hr) COMP_RC_Q01 - Does the factory have a payroll and other legally required payment documents?

Answer: No, 24h Finding

Explanation: 1) The factory could not provide the list of resigned workers or the relevant records (e.g., final payment records) for workers who resigned in July 2025 for review. The factory management and the HR representative stated that they did not receive the resigned worker records for 2025 from the previous HR staff member. They only maintain records for the period from January to June 2026, as the previous HR staff member resigned at the end of 2025 and the relevant records were lost.

2) Before May 15, 2026, the factory had contracted another security service provider. However, the payroll records for the previous 12-month period (June 2025 to May 14, 2026) are maintained by the former security service provider, whose contract had expired, and the factory does not have them.

3) The factory contracted 7 security guard from a service provider to safe guard of the factory as onsite job; however, the factory did not well-monitored its onsite subcontract to assure the security guard company provided term condition of employment including social insurance record in compliance with the local law as well as FLA Benchmark because the factory could not provide the social insurance documents (registration certificate and payment receipt), Business License certificate, and PATENT of the security company for the auditor's review during the audit.

Remarks: The factory could only provide 1 month (May 2026) of attendant records and payroll records of security guard staff of the new contracted security company because

Benchmark	Health, Safety And Environment (HSE)
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	(24hr) HSEB_WP_Q04 - Is the overall structural safety of the factory good (no cracks, unauthorized additions, etc.)? Answer: No, 24h Finding Explanation: There are two cracks at the automatic knitting section on both sides of the wall. Remark: The factory conducted the construction safety assessment in October – November 2025; however, the assessment did not mention these cracks.
Benchmark	Health, Safety And Environment (HSE)
Benchmark ID	HSE.5.1.3

Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of emergency lighting
Finding Details	(24hr) HSEB_FE_Q18 - Are exit signs lighted when the power goes out? Answer: No, 24h Finding Explanation: There is no emergency exit light installed along two (02) of the three (03) exit staircases in the expatriate dormitory. The exit sign and emergency light are installed at the entrances to these staircases only.
Benchmark	Health, Safety And Environment (HSE)
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	(24hr) HSEB_FE_Q12 - Does the factory have sufficient and adequate fire fighting equipment (fire extinguishers, hoses, sprinkler system, fire pump)? Answer: No, 24h Finding Explanation: Two out of three tested fire nozzles are not functioning well. Parts of the tested nozzles were loose and not securely fastened, which could affect their performance during firefighting operations.
Benchmark	Hours Of Work (HOW)
Benchmark ID	HOW.22.3
Benchmark Details	Time worked by all workers, regardless of wage system, shall be fully documented by time cards or other mechanical or electronic recording systems.

Finding Details

(24hr) HOWA_RKH_Q01 - Does the factory have a system to record working hours?

Answer: No, 24h Finding

Explanation: 1) The factory has contracted seven (07) security guards from a security service provider to perform onsite security services since May 15, 2026. However, there was no mechanism in place to record the exact clock-in and clock-out times of the security guards. Instead, attendance records only marked a "V" for each assigned shift (6:00 – 18:00 and 18:00 – 6:00).

Remarks: The factory was only able to provide attendance and payroll records for the current security guards covering the period from May 15, 2026 to May 31, 2026, as the contract with the current security service provider commenced on May 15, 2026.

2) Before May 15, 2026, the factory had contracted another security service provider. However, the attendance records for the previous 12-month period (June 2025 to May 14, 2026) are maintained by the former security service provider, whose contract had expired, and the factory does not have them.

Assessment Results

Compensation (C)	
Benchmark ID	C.17
Benchmark Details	Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.
Finding Details	1) The factory could not provide a list of resigned workers or a relevant records (e.g., final payment records) for workers who resigned in July 2025 for review. The factory management and the HR representative stated that they did not receive the resigned worker records for 2025 from the previous HR staff member. They only maintain records for the period from January to June 2026, as the previous HR staff member resigned at the end of 2025 and the relevant records were lost. 2) Before May 15, 2026, the factory had contracted another security service provider. However, the payroll records for the previous 12-month period (June 2025 to May 14, 2026) are maintained by the former security service provider, whose contract had expired, and the factory does not have them. 3) The factory contracted seven security guards from a service provider to safeguard the factory as onsite job; however, the factory did not well-monitor its onsite subcontractor to assure the security guard company provide employment in compliance with the local law as well as FLA Benchmark because the factory could not provide social insurance documents (registration certificate and payment receipt), business license certificate, and patent of the security company for the auditor's review during the audit. Remarks: The factory could only provide one month (May 2026) of attendant records and payroll records of security guard staff of the newly contracted security company because they were contracted from May 15, 2026 onwards.
Recommendations for Immediate Action	Maintain relevant payment record and profile of all on-site workers.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Cambodia Labour Law 1997, Article 168

Employment Relationship (ER)

Benchmark ID ER.3.1

Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	No orientation training provided to all new 11 employees who were hired from June 26, 2026, to July 4, 2026, yet. In addition, no system was in place to ensure the effectiveness of current orientation training practice, as the factory only conducted 2 hours of training to cover 23 topics (1. Internal Rule and Regulation, 2. Hour of Work, 3. Employment contract, 4. Compensation, 5. No Child Labor, 6. No Forced Labor, 7. Freedom and Association and collective bargaining, 8. Grievance Procedure, 9. Anti-corruption, 10. Disciplinary Practice, 11. No Discrimination, 12. No Harassment and Abuse, 13. Occupational Health and Safety, 14. PPEs, 15. Food Safety, 16. Machine Safety, 17. Ergonomics, 18. Emergency Response Plan, 19. Fire extinguisher use instructions, 20. Environment, 21. Chemical Management, 22. Building Safety, 23. Security Policy and C-TPAT), without any quiz provided to the workers to test their awareness after the training.
Recommendations for Immediate Action	
Recommendations for Sustainable Improvement	
Compliance Classifications	Sustainable improvement required
Local Law	N/A

Health, Safety And Environment (HSE)

Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	The pump room does not have adequate fall protection measures. Workers are required to stand on a non-fixed wooden plank (approximately 0.3 meters wide and 3 meters long) to operate the fire pump. The plank is positioned approximately 1.8 to 2.0 meters above the pump room floor, creating a significant fall hazard and posing a risk of serious injury.
Recommendations for Immediate Action	Install appropriate fall protection measures (e.g., guardrails, safety barriers, or other suitable protective devices) for elevated work areas to prevent the risk of falling from height.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

The Prakas covered in Article 229

Benchmark ID

HSE.5.1.3

Benchmark Details

All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: installation and maintenance of emergency lighting

Finding Details

There is no emergency exit light installed along two of the three exit staircases in the expatriate dormitory. The exit sign and emergency light are installed at the entrances to these staircases only.

Recommendations for Immediate Action

Install exit signs and emergency lights at exit doors/staircases, and other areas as legally required.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

According to Law on Administration of Factory and Handicraft (2006), Article 8

Benchmark ID

HSE.9.1

Benchmark Details

All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

Finding Details

No secondary containment and labels in the local language (Khmer) for three containers of paint in the maintenance room. Remark: The factory manager provides evidence of improvement on the second day of the assessment.

Recommendations for Immediate Action

Ensure that all chemical containers shall be kept in proper secondary containment and labelled in the local language.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

Prakas No. 148 URT.H.BU.BRK dated 13 February 2012 of Ministry of Industry, Mines and Energy on Procedures and Issuance of Certification of Items and Quantities of Chemical Substance Use, Article 7, 13, 14 & 15.

Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.
Finding Details	1) All (two) randomly checked first aid kits in knitting workshop lack of item: scissors, forceps, pure oil. Remark: The factory manager provides evidence of improvement on the second day of the assessment. 2) There are two cracks at the automatic knitting section on both sides of the wall. Remark: The factory conducted the construction safety assessment in October – November 2025; however, the assessment did not mention these cracks.
Recommendations for Immediate Action	1) Equip the first aid items sufficiently as legally required. 2) Fix the crack to ensure the building remains structurally safe.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	1) Prakas No. 330 on “Arrangement of Enterprise Infirmary”, issued on 6 December, 2000 by the Ministry of Labor, Item 7 2) Cambodia Labour Law 1997, Article 229 and 230

Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	The factory does not obtain legal construction permits (e.g., 1. building construction permit, 2. building construction opening permit, 3. building construction approval plan, 4. building construction closure permit) for: a) The accessories warehouse (Building C1), a single-story building with an area of approximately 435 square meters. Remark: According to the relevant documents “Building Construction Approval Plan No. 017 reviewed and approved by the Ministry of Land Management, Urban Planning and Construction on February 05, 2013, this area was originally designated as a loading area rather than a building; b) Maintenance room, a single-story building with an area of approximately 100 square meters. Remark: The landowner and factory management confirmed that the landowner constructed and converted those buildings around 2013 – 2014 without applying the required construction permit, before leasing the facility to the factory in 2020.

Recommendations for Immediate Action	Obtain the legal license (e.g. construction license)
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Law on Construction of Cambodia 2019, Article 26
Benchmark ID	HSE.6.1
Benchmark Details	All safety and medical equipment (e.g. fire fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.
Finding Details	1) No checklist, mounting, or usage instructions in the local language for two fire extinguishers in the maintenance room. Remark: The factory manager provided evidence of improvement on the second day of the assessment. 2) Two out of three tested fire nozzles did not function well. Parts of the tested nozzles were loose and not securely fastened, which could affect their performance during firefighting operations.
Recommendations for Immediate Action	1) Place fire extinguishers in the designated locations, mount them properly, and display operating instructions in the local language nearby. 2) Conduct regular maintenance and inspections to ensure all firefighting equipment remains in good working condition.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	1) Prakas 206/2017 of Ministry of Industry & Handicraft about Technical Management and Industrial Safety in Factories and Handicraft, Article 8 2) Law on Administration of Factory and Handicraft (2006), Art. 26
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.

Finding Details	Some workers do not use PPE properly. For example: - One worker operates a grinding machine (no glasses, gloves) in the boiler house; - One worker works with chemicals (no gloves); - Five out of 15 observed ironing workers do not use the provided anti-fatigue mats at the assessment time. Remark: The factory manager provided evidence of improvement on the second day of the assessment.
Recommendations for Immediate Action	Provide training and conduct regular awareness sessions to ensure workers properly use the required personal protective equipment (PPE).
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	Prakas No. 125 dated on 15 June, 2001 by the Ministry of Labor, Article 4
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	1) One out of three electrical panels is not free from dust and spider webs and is not installed with an inner cover in the boiler area. Remark: The factory manager provided evidence of improvement on the second day of the assessment. 2) At least five electrical wires were covered by duct tape near workshop B3 and in the boiler room, and some emergency lights around production workshops. In addition, there was no safety warning posted. Remark: the factory manager provided evidence of improvement on the second day of the assessment. 3) Four out of seven ventilation fans are not well maintained at the washing area. One of them was out of order.
Recommendations for Immediate Action	1) Conduct regular inspections and cleaning of electrical panels and equipment to ensure they are free from dust, spider webs. 2) Ensure that electrical cable splices are made using approved connectors or junction boxes and are not covered with duct tape. 3) Repair or replace defective ventilation fans and conduct regular maintenance to ensure all ventilation fans function properly.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required

Local Law

Cambodia Labour Law 1997, Article 230 and Prakas No. 147 on “Temperature at Workplace” dated on 11 June, 2002 by the Ministry of Labor, Article 1.

Hours Of Work (HOW)

Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.
Finding Details	1) Workers worked more than 10 hours per day, as follows: - May 2026: 41 out of 45 sampled workers worked 11-13hours per day; - February 2026 : 30 out of 45 sampled workers worked 11-12hours per day; - November 2025: 25 out of 45 sampled workers worked 11 hours per day. 2) Workers worked more than 60 hours per week, as follows: - May 2026: 35 out of 45 sampled workers worked 61-84hours per week; - February 2026: 28 out of 45 sampled workers worked 61-75hours per week; - November 2025: 20 out of 45 sampled workers worked 65.88-74hours per week.
Recommendations for Immediate Action	Control the production plan to ensure that the overtime hours and working hours are guaranteed as legally required and FLA Benchmark.
Recommendations for Sustainable Improvement	
Compliance Classifications	Immediate Action Required
Local Law	1) Cambodia Labour Law 1997, Article 140 2) N/A

Benchmark ID	HOW.22.3
Benchmark Details	Time worked by all workers, regardless of wage system, shall be fully documented by time cards or other mechanical or electronic recording systems.

Finding Details

1) The factory has contracted seven security guards from a security service provider to perform onsite security services since May 15, 2026. However, there was no mechanism in place to record the exact clock-in and clock-out times of the security guards. Instead, attendance records only marked a "V" for each assigned shift (6:00 – 18:00 and 18:00 – 6:00).
 Remarks: The factory was only able to provide attendance and payroll records for the current security guards covering the period from May 15, 2026 to May 31, 2026, as the contract with the current security service provider commenced on May 15, 2026.

2) Before May 15, 2026, the factory had contracted another security service provider. However, the attendance records for the previous 12-month period (June 2025 to May 14, 2026) are maintained by the former security service provider, whose contract had expired, and the factory does not have them.
 Install a system to record all working hours of on-site workers.

Recommendations for Immediate Action

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

Local Law

N/A

Benchmark ID

HOW.2

Benchmark Details

Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.

Finding Details

Workers worked more than 6 days per week as follows:
 - May 2026: 35 out of 45 sampled workers worked more than 6 days per week (1-5 times per month). The longest consecutive working days were 31 days (May 1-31, 2026);
 - February 2026: 35 out of 45 sampled workers worked more than 6 days per week (1-4 times per month). The longest consecutive working days were 16 days (February 1-16, 2026);
 - November 2025 : 21 out of 45 sampled workers worked more than 6 days per week (1-3 times per month). The longest consecutive working days were 21 days (November 10-30, 2025).

Recommendations for Immediate Action

Control the production plan to ensure that the weekly rest day is guaranteed as legally required.

Recommendations for Sustainable Improvement

Compliance Classifications

Immediate Action Required

