



FAIR LABOR
ASSOCIATION

December 15, 2006

Summary Report: Third Party Complaint Regarding Yung Wah 2, Cambodia

Complaint

On July 5, 2006, the Fair Labor Association (FLA) received a Third Party Complaint filed by the Coalition of Cambodia Apparel Workers' Democratic Union (C.CAWDU) regarding Yung Wah Industrial (Cambodia) Co. Ltd. Plant #2 ("Yung Wah 2"), a factory located in Kandal province, Cambodia. The complainant alleged noncompliance with respect to the Freedom of Association provision of the FLA Workplace Code of Conduct. Specifically, the complaint alleged problems related to obtaining union recognition and harassment and abuse of union leaders.

On July 10, the FLA initiated a Third Party Complaint at Step 2, and notified the complainant and the FLA affiliated company mentioned in the complaint (Eddie Bauer) about its action. Pursuant to Step 2, FLA companies have up to 45-days to conduct an assessment and report back to the Executive Director in writing as to whether noncompliance with the FLA Workplace Code of Conduct occurred and, if so, whether and how it had been remedied.

Assessment by Company

Upon receipt of the complaint, Eddie Bauer notified the FLA that an internal audit conducted in March 2006 had identified Freedom of Association noncompliances at Yung Wah 2 and was assessing the situation and developing a remedial strategy. Part of Eddie Bauer's assessment process included communicating with representatives of the Better Factories Cambodia program,¹ Yung Wah Headquarters representatives in Singapore, Yung Wah 2 factory managers, other companies sourcing at Yung Wah 2, C.CAWDU representatives at the factory, and Cambodia Ministry of Labor representatives. Eddie Bauer representatives also interviewed Yung Wah 2 workers.

During the 45-day period, Eddie Bauer worked in consultation with Better Factories Cambodia and the FLA and in collaboration with other buyers at Yung Wah 2 to respond to serious allegations of harassment and abuse against union leaders, in particular a violent incident

¹ The Better Factories Cambodia program of the International Labor Organization (ILO) monitors and reports on working conditions of Cambodian garment factories according to national and international labor standards. Better Factories Cambodia first monitored Yung Wah 2 in June 2005 and subsequently named and reported on its progress in March 2006.

