

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

13 Oct 2021



Factory Information

FLA Affiliates	Esprit Europe Services GmbH
Country	Vietnam
Number of Workers	2457

Understanding this Report

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.

FLA Code Element

Number of Violations

Child Labor (CL)	1
Compensation (C)	5
Employment Relationship (ER)	4
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	10
Hours Of Work (HOW)	4

Assessment Information

Assessor	OneStep Viet Co., Limited
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Assessment Date	13 Oct 2021
Assessment Purpose	Factory Assessment (Virtual Compliance Check)

ASSESSMENT RESULTS

Child Labor (CL)

Benchmark ID	CL.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the prohibition of child labor.
Finding Details	1) The factory's Child Labor policy regulates that they will not employ candidates who are under 16 years old. However, workers from the age of 15 years to 18 years are legally considered young workers. The factory should not prohibit the employment of young workers. Remark: The factory does not have young workers at the time of the assessment. 2) The policy for young workers was developed on January 5, 2021. However, this policy regulates that young workers are between the age of 16 years and under the age of 18 years instead of between the age of 15 years and under the age of 18 years, as legally required.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Labor Law No. 45/2019/QH14, Article 143

Compensation (C)

Benchmark ID	C.12.1
Benchmark Details	All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.

Finding Details	<p>1) Based on payroll and attendance records review during past 12 months, it is noted that because the factory applies an excessive probationary period (31 days instead of 30 days), it leads to untimely non-contribution of Mandatory Insurance for workers. For example, worker A joined factory on 17th May 2021, signed probationary contract from 17th May 2021 to 16th June 2021, and signed labor contract from 17th June, 2021. The work days of this worker and status of contributing Mandatory Insurance is as follows: - Factory's calculation: Probationary contract with 31 days: 14 work days for probation and 12 work days for labor contract (June 2021). This worker did not have sufficient condition to contribute Mandatory Insurance in June 2021; - Correct calculation: Probation contract with 30 days as legally required: 13 work days for probation and 13 work days for labor contract (June 2021). This worker would have sufficient condition to contribute Mandatory Insurance in June 2021. However, the factory did not contribute Mandatory Insurance for this worker in June 2021 and did not comply with legal requirements. Remark: there are 26 working days in June 2021. 2) Based on payroll and attendance records reviews during past 12 months and confirmation from the factory management, it is noted that factory does not pay the additional insurance payment at the same time as the salary payment period for all new employees. The additional payment should be at the workers pay level and cover social insurance, health insurance, and unemployment insurance; this should be paid during the probationary contract, as legally required (effective since 1st Jan 2021).</p>
Recommendation for Immediate Action	<p>1) Contribute mandatory insurance for workers, as legally required. 2) Pay an additional amount equal to the compulsory social insurance, compulsory health insurance, unemployment insurance premiums for worker during the probationary period.</p>
Compliance Classifications	Immediate Action Required
Local Law	1) Decision No. 595/QD-BHXH, Article 42 2) Labor Law No. 45/2019/QH14, Article 168
Benchmark ID	C.7

Benchmark Details	All payments to workers, including hourly wages, piecework, fringe benefits and other incentives shall be calculated, recorded, and paid accurately.
Finding Details	The factory applies 31 days instead of 30 days for the probationary contract for some workers. This leads to under payment as noted on their contracts on the 31st day. For instance, worker A had the probationary period from 17th May to 16th June, 2021 (31 days) and the probation wage was at VND 3,224,000 (USD 140). Worker A signed the labor contract on 17th June, 2021 and the contract wage was at VND 3,593,000 (USD 156). The monthly salary of this worker was not calculated correctly in June 2021 as follows: - Calculation of factory: (probation wage/26x14) + (contract wage/26x12) = VND 3,394,308 (USD 147.51); - Correct calculation: (probation wage/26x13) + (contract wage/26x13) = VND 3,408,499 (USD 148.13).
Recommendation for Immediate Action	1) Pay contract wage for worker as regulated in their labor contract. 2) Pay back affected workers.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law No. 45/2019/QH14, Article 90
Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country

Finding Details

1) The factory applies 31 days instead of 30 days for the probationary contract for some workers. This leads to insufficient overtime payment for the workers who work overtime on the 31st day. For example, worker A worked overtime during their probationary period including the last day of their probationary period (31st day). The overtime payment for this worker was not calculated correctly in June 2021 as follows: - Factory's calculation: $(\text{probation wage}/208 \times 9 \times 150\%) + (\text{contract wage}/208 \times 5 \times 150\%) = \text{VND } 338,805 \text{ (USD } 14.72\text{)}$; - Correct calculation: $(\text{probation wage}/208 \times 8 \times 150\%) + (\text{contract wage}/208 \times 6 \times 150\%) = \text{VND } 341,466 \text{ (USD } 14.84\text{)}$. 2) The factory does not calculate accurately the payment for female workers who have children under 12 months old and work hazardous and heavy jobs, as legally required (effective since February 2021). For instance, female worker A is currently nursing children under 12 months old and worked 7 hours/day and worked hazardous and heavy job: - Factory's calculation on a daily basis: paid 8 hours with 100% of premium rate; - Correct calculation on a daily basis: pay 8 hours with 100% + one (1) hour with 150% of premium rate. Thus, worker is paid insufficiently by 150% of one (1) hourly rate. As legally required, female workers who have children under 12 months old and work hazardous and heavy job should receive 60 minutes of break with full payment and also reduce one hour of work per day with full payment. In case workers are willing to work overtime during the 60 minutes of break, they shall be paid 100% of premium rate and if they work during the reduced working hour, they shall be paid 150% of the premium rate. The factory does not reduce one working hour for these workers. Thus, it is required to pay for this one working hour as overtime with 150% of one (1) hourly rate. 3) The factory does not calculate accurately the payment for one female worker who has children under 12 months old, works hazardous and heavy job and is currently pregnant (since 27th September, 2021). In detail, this worker worked 7 hours per day and submitted the pregnancy test on 27th September, 2021: - Factory's calculation on a daily basis: paid 9 hours with 100% of premium rate; - Correct calculation on a daily basis: pay 8 hours with 100% + 2 hours with 150% of premium rate. Thus, worker is paid insufficient 250% of one (1) hourly rate. As legally required, female workers who have children under 12 months old, work hazardous and heavy jobs, and if they are currently pregnant shall be entitled 2 hours of break a day with full pay. Additionally, workers who are nursing also receive one reduced hour of work per day with full pay. The factory shall provide a total of 3 hours of break with full pay per day for these workers during pregnant time.

If the worker is willing to work overtime during the 60 minutes of break, they shall be paid 100% of premium rate. If they decide to work during the reduced two working hours, they shall be paid 150% of premium rate. The factory has not applied to reduce 2 working hours for this worker yet. Thus, it is required to pay for these 2 working hours as overtime with 300% (2 overtime hours x 150%) of one (1) hourly rate for this case. As the factory already paid 50% as normal rate, it is required to pay additional 250% of one (1) hourly rate. 4) The factory does not calculate accurately the payment for female workers who are under 7 months pregnant and work hazardous and heavy jobs as legally required (effective since February 2021). For instance, female worker A worked 8 hours per day while under seven months pregnant: - Factory's calculation on a daily basis: paid 9 hours with 100% of premium rate; - Correct calculation on a daily basis: pay 8 hours with 100% + one (1) hour with 150% of premium rate. Thus, worker is paid insufficient 50% of one (1) hourly rate. As legally required, female workers who are under 7 months pregnant and have notified their pregnancy status to the factory management, should have a reduced one working hour per day with full pay. In case workers are willing to work during this reduced one (1) working hour, they shall be receive 150% of the premium rate. Thus, it is required to pay for this one reduced working hour as overtime with 150% of one (1) hourly rate for this case. As the factory already paid 100% as normal rate, it is required to pay additional 50% of one (1) hourly rate. 5) The factory does not calculate accurately the payment for female workers who have children under 12 months old before joining the factory. For instance, female worker A had a child under 12 months old (D.O.B on 13th December, 2020), she joined the factory on 7th June, 2021, worked hazardous and heavy job. This worker was not entitled the legally required benefit, and still worked 8 regular hours every working day (plus overtime if any): - Factory's calculation on a daily basis: paid 8 hours with 100% of premium rate; - Correct calculation on a daily basis: pay 8 hours with 100% + 60 minutes break with 100% + one hour with 150% of premium rate. The factory management explained that due to a lack of deep management, they did not reduce working time for all cases of female workers who had children under 12 months old before joining the factory. As legally required, female workers who have children under 12 months old and work hazardous and heavy job, shall receive 60 minutes of break with full payment and reduced one working per day with full payment. In case workers are willing to work overtime during 60 minutes of break, they shall be paid 100% of premium rate and during reduced one working hour, they shall be paid 150% of premium rate. The factory has not applied to reduce

	<p>two working hours yet. Thus, it is required to pay additional total of 250% for one (1) hourly rate for these 2 working hours at 100% for regular work (for 60 minutes of break) and overtime with 150% of one (1) hourly rate (for one (1) reduced hour). Remark: factory provided sufficient child care allowance for this female worker (VND 30,000/child). 6) There are 5 canteen staff (from outsourced provider) who worked from 06:30 to 20:30 (lunch break of 2 hours) on 1st and 2nd September, 2021 (2 public holidays). However, canteen staffs are paid insufficiently the overtime payment as follows: - Factory's calculation: $[(8 \text{ regular hours} \times 400\%) + (4 \text{ OT hours} \times 150\%)] \times 2 \text{ days} = \text{VND } 1,242,306$; - Correct calculation: $[(12 \text{ OT hours on public holiday} \times 300\%) \times 2 \text{ days}] + 2 \text{ public holiday with } 100\% \text{ premium rate} = \text{VND } 1,438,466$</p>
Recommendation for Immediate Action	<p>1) Overtime premium shall be calculated and paid sufficiently. 2) Calculate sufficiently and correctly the payment and benefit for protected female workers as legal requirement. 3) Pay back all affected workers.</p>
Compliance Classifications	Immediate Action Required
Local Law	<p>1) Labor Law No. 45/2019/QH14, Article 25 and Decree No. 145/2020/ND-CP, Article 55 2 – 5) Labor Law No. 45/2019/QH14, Article 137 and Decree 145/2020/ND-CP, Article 80 6) Labor Law No. 45/2019/QH14, Article 98</p>
Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.

Finding Details	The factory deducts 4.5% of Health Insurance from the wage of workers who are absent for 14 or more days due to sick leave or maternity leave. For example: - Worker A took sick leave for 15 days in May 2021, the factory deducted 4.5% of Health Insurance (- VND 161,100) from worker's wage in May 2021 payroll; - Worker B took maternity leave for 18 days in May 2021, the factory deducted 4.5% of Health Insurance (- VND 155,250 (from worker's wage in May 2021 payroll. Factory explained that they were aware of this legal requirement and worked with the local Social Insurance department but the factory had not received the official answer in writing from the local department to pay back for the excessive deduction to workers.
Recommendation for Immediate Action	Pay back workers for the excessive deductions made. Employees who take sick leave or maternity leave for at least 14 working days in a month are not required to pay insurance contributions and premiums but still receive benefits from health insurance.
Compliance Classifications	Immediate Action Required
Local Law	Decision No. 595/QD-BHXH, Article 42
Benchmark ID	C.3.1.3
Benchmark Details	Where probationary employment is legally allowed, no workers shall work more than three months in this employment category.
Finding Details	Based on document reviews and interview with workers, it is noted that the factory applies 31 days for probationary period instead of maximum of 30 days, as legally required, for some production skilled workers (sewing, cutting, QA, etc.). For example, worker A had the probationary period from 16th August to 15th September, 2021 (31 days) instead of the probationary period that should have ended on 14th September, 2021 (30 days).
Recommendation for Immediate Action	Probationary period shall not exceed 30 days for positions that require a secondary vocational certificate, professional secondary school, technician positions, and skilled employees.
Compliance Classifications	Immediate Action Required

Local Law	Labor Law No. 45/2019/QH14, Article 25
Employment Relationship (ER)	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	The factory has Grievance Mechanism including indirect and direct mechanisms. However, the hotline number and two emails which are used to receive workers grievance did not work when checked.
Recommendation for Immediate Action	Ensure grievance mechanism are functional.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.18.1
Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).

Finding Details	<p>1. The guideline on handling violations of discrimination was developed on January 5, 2021 and regulated that violator shall be applied the disciplinary measures as follow: - Major violations: receiving warning letter or dismissal; - Minor violations: re-trained the Non-discrimination policy, sign the commitment on “Not a repeated violation”. However, these disciplinary measures are not regulated in the Company Regulation. Moreover, the guideline does not clearly define the definition of each violation (which one is major and which one is minor). 2. The internal workplace democracy regulation was developed on January 2, 2021. However, this regulation is not reviewed or updated with new provisions as legally required (Decree 145/2020/ND-CP) such as: the frequency and time of dialogues in a year, the composition and quantity of participants in dialogue and quantity thereof.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	1. Decree No. 145/2020/ND-CP, Article 69 2. Decree No. 145/2020/ND-CP, Article 37
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	The factory does not have a comprehensive policy and/or procedure on promotion and performance review for all production workers aligned with FLA Benchmarks. Policies and procedures are well developed for higher level of staffs and supervisors.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	N/A
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	The outsourced canteen staff do not receive pay-slips for each salary payment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Labor Law No. 45/2019/QH14, Article 95
Freedom Of Association And Collective Bargaining (FOA)	
Benchmark ID	FOA.10
Benchmark Details	Employers shall refrain from any acts of interference with the formation or operation of workers' organizations, including acts which are designed to establish or promote the domination, financing or control of workers' organizations by employers.

Finding Details	FLA Comment: Vietnam has not ratified ILO Convention 87. Under Vietnamese law, all unions are required to affiliate with the single trade union, the Vietnam General Confederation of Labor (VGCL), which is affiliated with the Communist Party. With respect to such union monopolies, the ILO Committee on Freedom of Association has stated that “the rights of workers to establish organizations of their own choosing implies... the effective possibility of forming... [trade unions] independent both of those which exist already and of any political party.” Vietnam’s legal framework is therefore not compatible with the ILO Principles on Freedom of Association and, as such, all factories in Vietnam fail to comply with the FLA Code standard on Freedom of Association.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	The factory does not provide annual first aid training for the first aid team. The latest training was in August 2020. The factory management explained that they could not organize the training due to COVID-19 outbreak.
Recommendation for Immediate Action	Provide first aid training for all workers, as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 44/2016/ ND-CP, Article 18 and 20

Benchmark ID	HSE.5.1.2
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 fire alarms;
Finding Details	The sound of the automatic fire alarm system in production workshop No. 1 was non-functional. The system still identified the fire alarm signal in the fire alarm control panel. However, the system could not activate the sound of the system. The factory management explained that they were working with a service provider to fix this concern.
Recommendation for Immediate Action	Ensure the fire alarm system is maintained regularly and is functional.
Compliance Classifications	Immediate Action Required
Local Law	National Standard TCVN 3890:2009, Article 6
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	There is no anti-explosion light bulb installed in the chemical warehouse and hazardous waste storage. The factory uses normal light bulbs instead.
Recommendation for Immediate Action	Install anti-explosion light bulb at chemical storage areas.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.2

Benchmark Details	All documents required to be available to workers and management by applicable laws (e.g. health and safety policies, MSDS, environmental emergency plans) shall be made available in the prescribed manner and in the local language or language spoken by the workers, if different from the local language.
Finding Details	1) The factory does not conduct regular health check for workers working in heavy and hazardous condition every 6 months. The latest health check was in December 2020. The factory management explained that they could not provide the regular health check on time due to COVID-19 outbreak. 2) The factory does not conduct annual working environment assessment. The latest working environment assessment was in September 2020. The factory management explained that they could not conduct annual working environment assessment on time due to COVID-19 outbreak. 3) The factory does not have the document on occupational environment sanitation for harmful factors and occupational disease prevention and control as legally required.
Recommendation for Immediate Action	1) Provide regular health check for workers as legally required. 2) Working Condition Evaluation shall be conducted annually and carried out for all harmful factors at all areas potentially affecting the employees. 3) Have available the documents on occupational environment sanitation for harmful factors and occupational disease prevention and control.
Compliance Classifications	Immediate Action Required
Local Law	1) Law No. 84/2015/QH13, Article 21; 2) Decree No. 44/2016/ND-CP, Article 35; 3) Decree No. 39/2016/ND-CP, Article 5.
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.
Finding Details	The factory does not install hand drying facility at toilets. Waste bins are not equipped cover at toilets.

Recommendation for Immediate Action	Equip hand drying facility as well as cover for waste bins to ensure the sanitation.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	The loading capacity for shelves are not posted in the materials warehouse.
Recommendation for Immediate Action	Post loading limit for each shelf.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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 has not conducted the legally required inspection for the LPG pipeline system and air distribution system (from the compressor tanks) as required.
Recommendation for Immediate Action	Required equipment shall be inspected and certified.

Compliance Classifications	Immediate Action Required
Local Law	Decree No. 44/2016/ ND-CP, Article 16 and Circular No. 36/2019/TT-BLDTBXH, Article 2
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) The factory has made the risk assessment which includes the fire risk assessment. However, fire risk assessment does not cover some areas including the materials warehouse, accessories warehouse, finished goods warehouse and waste storage. 2) The water which contains lubricant and oil is considered wastewater. However, it is released directly into the rain drain system outside the compressor area.
Recommendation for Immediate Action	1) Identify all fire hazards and risks at all workplaces/areas. 2) Wastewater shall be treated properly before being discharged to the environment.
Compliance Classifications	Immediate Action Required
Local Law	1) N/A; 2) Law No. 55/2014/QH13, Article 7;
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The factory does not provide occupational safety and health training for: a) All (49) workers who work with button attaching machines (defined as group 3). b) Annual training for general workers (defined as Group 4). The latest training was conducted from July 27 to August 01, 2020. Remark: The factory management explained that they could not organize the training for Group 4 on time due to COVID-19 outbreak.

Recommendation for Immediate Action	Provide designated employees with the required OSH training.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 84/2015/QH13, Article 14; Decree No. 140/2018/ND-CP, Article 1, Clause 5 and Circular No. 06/2020/TT-BLDTBXH
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	The factory does not provide chairs with back support for workers who have to sit during working time. In addition, the height of chairs cannot be adjusted to fit with worker's working position. Note: pregnant workers have been provided chairs with back support.
Recommendation for Immediate Action	Proactive steps to reduce repetitive-motion stress or injuries shall be taken e.g. breaks, adjustable workstations.
Compliance Classifications	Immediate Action Required
Local Law	N/A

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

Finding Details	The policy of working hours and break times was developed on January 5, 2021. However, this regulation is not reviewed and updated with new regulations according to Vietnam Labor Law in 2019. In details: - The total monthly overtime working hours shall not exceed 30 hours/month instead of 40 hours/month as Article 107, Labor Law 45/2019/QH14; - National Day: one (1) days (the 2nd of September of the Gregorian calendar) instead 02 days (the 2nd of September of the Gregorian calendar and the previous or next day) as Article 112, Labor Law 45/2019/QH14.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Labor Law No. 45/2019/QH14, Article 118
Benchmark ID	HOW.14
Benchmark Details	Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures.
Finding Details	Unpaid leave (if accepted by the employer and not exceeding one (1) month per year in total) is not included in working time to calculate annual leave for workers. For instance: worker A joined factory in 2017 with 14 standardized annual leaves, had 31 days of unpaid leave and 21 days of suspension contract in 2020. The factory provided only 12 annual leaves instead of 13 annual leaves ($14/12 = 12.8$, then rounded up to 13) for this worker in 2020. There are 50 impacted workers by this practice.
Recommendation for Immediate Action	Calculate and provide annual leave for workers correctly.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 145/2020/ND-CP, Article 66

Benchmark ID	HOW.10.1
Benchmark Details	Employers shall provide workers with all official public holidays as required under national laws, regulations and procedures.
Finding Details	The factory did not pay the payment of public holidays in April (2 days: 21st and 30th) and May (one day: 1st) in 2021 for workers who took unpaid leave or normal sick leave during this time. For instance, worker A took normal sick leave for 14 days from 19th April to 7th May, 2021. The factory did not pay the payment of public holiday on 21st April, 30th April and 1st May, 2021 for this worker. There are 7 impacted workers by this practice in the past 12 months.
Recommendation for Immediate Action	1) Employees shall be paid for public holidays. 2) Pay back affected workers.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law No. 45/2019/QH14, Article 112
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	One out of three boiler operators take turns to work at 06:30 every day. At 06:30, the worker cannot access finger print system as it is not active at that time, therefore, the time record system is not reliable for review for these 3 operators. Remark: the official working time is from 7:30 - 16:30 and these operators received sufficient OT payment for early working time.
Recommendation for Immediate Action	The factory shall have time record system without interference.
Compliance Classifications	Immediate Action Required
Local Law	N/A

