

# Fair Labor Association: Independent External Factory Assessment

Assessment Date :

**24 Nov 2021**



## Factory Information

FLA Affiliates	TOMS Shoes
Country	Vietnam
Number of Workers	

## 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

Compensation (C)	3
Employment Relationship (ER)	8
Forced Labor (F)	1
Freedom Of Association And Collective Bargaining (FOA)	3
Health, Safety And Environment (HSE)	21
Hours Of Work (HOW)	2
Nondiscrimination (ND)	2

## Assessment Information

Assessor	OneStep Viet Co., Limited
Assessment Date	24 Nov 2021
Assessment Purpose	Factory Assessment (Virtual Compliance Check)

## ASSESSMENT RESULTS

### Compensation (C)

Benchmark ID	C.21.2
Benchmark Details	All benefits shall be calculated correctly
Finding Details	The factory did not make severance payments for at least two workers. In one case, factory management argued that the worker in question had not given the required notice of resignation. The assessment found, however, that per local law and the terms of the two labor contracts the worker had signed during their tenure, the worker was entitled to a severance payment.
Recommendation for Immediate Action	Make full severance payments for all eligible workers, in keeping with the terms of labor contracts, the collective bargaining agreement, and local law.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 46
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	<p>(1) The factory does not contribute to mandatory social insurance programs for all eligible workers. Based on reviews of payroll records and interviews with both management and workers, the assessment determined that the factory did not contribute to mandatory social insurance programs (social insurance, health insurance, and unemployment insurance) for approximately 20 out of 30 sampled workers from November 2020 to October 2021. Managers explained that the factory's workers prefer not to have any contributions to insurance programs deducted from their pay.</p> <p>(2) The factory did not make any mandatory contributions to social insurance programs during two time periods under review: - During August and September 2021, when all employees were idle and received the legal minimum wage (VND 4,420,000; approx. USD 192) due to the effects of COVID-19, the factory made no contributions to health insurance, social insurance, or unemployment insurance. -During July 2021, workers were idle and received the legal minimum wage a second time due to COVID-19. During the period 11 July-31 July, the factory made no contributions to social insurance or unemployment insurance. (3) The factory has not signed labor contracts with 8 foreign experts who were hired in 2021 (4 in January, 3 in February, and 1 in March), nor does the factory make mandatory health insurance and social insurance contributions for these workers. (4) Labor contracts at the factory do not comply with the factory's internal wage scale. Furthermore, the actual wages that workers receive may not align with either the wage scale or their contracts. For example, a sampled worker's labor contract stipulated a wage rate of VND 4,508,000 (approx. USD 197), below the lowest bracket of the wage scale (VND 4,729,000; approx. USD 206). This worker actually received a wage rate of VND 5,016,000 (approx. USD 219).</p>
Recommendation for Immediate Action	<p>(1-3) Make mandatory social insurance contributions for all eligible workers, including required contributions for foreign workers. (4) Pay all workers the wage rate set by their labor contracts and ensure that all labor contracts comply with the terms of the factory's wage scale.</p>
Compliance Classifications	Immediate Action Required
Local Law	<p>(1) Decree 15/2015/ND-CP, Article 2 (2) Decree 15/2015/ND-CP, Article 2 (3) Decree 143/2018/ND-CP, Article 2</p>

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	The factory does not monitor the employment practices of the outsourced service provider that runs the factory's canteen. The factory does not have payroll and attendance records, records of insurance contributions, labor contracts, or other documents on file for the canteen's nine staff.
Recommendation for Immediate Action	Obtain accurate employment and payroll records for the outsourced canteen staff and keep these documents on file for review.
Compliance Classifications	Immediate Action Required
Local Law	

## Employment Relationship (ER)

Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	(1) The factory does not provide workers with ongoing training on the FLA Code or on the affiliate's code of conduct. (2) The factory does not provide the legally required health and safety training to workers in the canteen who are responsible for preparing food and operating the liquid petroleum gas equipment. The factory also does not provide health and safety training for the factory manager, who local law requires to receive such training, or for one out of the three medical employees.
Recommendation for Immediate Action	Provide legally required health and safety training to all employees.

Compliance Classifications	Immediate Action Required
Local Law	Decree No. 140/2018/ND-CP, Article 1, Clause 5 and Circular No. 06/2020/TT-BLDTBXH
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The factory does not train supervisors on the FLA Code and employment functions or on the affiliate's code of conduct.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.15.1
Benchmark Details	Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retrenchment, taking into account national legal requirements.
Finding Details	The factory has not provided training on COVID-19 to supervisors.
Recommendation for Immediate Action	Provide training on COVID-19 and its impact on the workplace for all employees, including supervisors.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	ER.1.1

Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.
Finding Details	The factory has not developed a policy or procedure on retrenchment.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
Finding Details	The factory does not have a policy or procedure on performance reviews.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
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 has no policy on promotion, demotion, and job reassignment. No worker received a promotion during the time period under review.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.4
Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	(1) The factory has not posted the FLA Code or the affiliate's code of conduct, nor has it made them available to workers. (2) The factory has not provided specific training on COVID-19 to workers or supervisors.
Recommendation for Immediate Action	(1) Post the FLA Code prominently in the factory. (2) Provide training on COVID-19 for all employees, including both workers and supervisors.
Compliance Classifications	Immediate Action Required
Local Law	

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	The factory does not train newly-hired workers on the FLA Code or on the affiliate's code of conduct during orientation training.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

## Forced Labor (F)

Benchmark ID	F.10.2
Benchmark Details	Employers shall not withhold any such documents or restrict workers' access to them for any reason, including ensuring that workers shall remain in employment in the workplace
Finding Details	The eight expatriate workers employed at the factory all lack proper work permits. These eight employees work as production supervisors.
Recommendation for Immediate Action	Ensure that all workers have proper work authorization. Keep all relevant records on file for review.
Compliance Classifications	Immediate Action Required
Local Law	Section 4 of Decree 152/2020/NĐ-CP

## 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	Labor Code 2019, Art. 172
Benchmark ID	FOA.19.1
Benchmark Details	Employers, unions and workers shall honor in good faith, for the term of the agreement, the terms of any collective bargaining agreement they have agreed to and signed.

Finding Details	The factory and trade union have not updated the collective bargaining agreement to reflect important changes at the factory. The factory recently changed their legal business name in July 1, 2021. All workers from the previous legal business continue to work for the new business at the same wage and benefit levels, and maintain the seniority from the previous company. The factory has filed the necessary documentation for the change with local authorities, who are processing the change. The Collective Bargaining Agreement and other documentation related to trade union relations are still in place, but carry the name of the previous company.
Recommendation for Immediate Action	Update the CBA and all documentation related to union relations to reflect the current factory's official registration.
Compliance Classifications	Immediate Action Required
Local Law	Labor Code 2019, Art. 75 - 77
Benchmark ID	FOA.15
Benchmark Details	Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.
Finding Details	The factory does not provide office space for the factory's trade union.
Recommendation for Immediate Action	Provide an office space for the union.
Compliance Classifications	Immediate Action Required
Local Law	

## Health, Safety And Environment (HSE)

Benchmark ID	HSE.5.3
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Benchmark Details	Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
Finding Details	The factory has not conducted a night-time fire drill for the 5 residents of the dormitory.
Recommendation for Immediate Action	Conduct an annual fire drill for the dormitory, including a night-time drill.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.5.1.5
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: employee education and training
Finding Details	The fire brigade does not receive annual training. The factory last trained the brigade in February 2020.
Recommendation for Immediate Action	Provide proper training for all members of the fire brigade as required by local law.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 136/2020/ND-CP, Article 33
Benchmark ID	HSE.5.1
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.

Finding Details	(1) There are no fire extinguishers at the pressing area or the machine storage area. (2) The factory does not inspect the fire pump station and water tank on a weekly basis, as required by local law. (3) All of the factory's emergency exit doors are overhead doors rather than doors that can open outward. These doors are fixed in an open during working hours. Furthermore, the assessment observed at least 3 obstructed emergency exit doors in the pressing and finishing area. (4) The assessment observed carton boxes obstructing main footpath route through the factory. Furthermore, the assessment observed at least 15 emergency exit routes in workshop #1, workshop #2, the pressing area, the canteen and, the foam storage area that lacked clear directional lines and signs.
Recommendation for Immediate Action	(1) Install fire extinguishers in all high-risk areas. (2) Conduct weekly inspections of the fire pump station and water tank, as required by local law. (3) Keep emergency exit doors free from any obstructions at all times. Replace overhead doors to comply with the local law requirement that no kind of sliding, folding, rolling, or revolving door be used as the emergency exit door. (4) Keep all emergency exit routes free from any obstructions at all times. Clearly mark emergency exit routes with floor markings and signs.
Compliance Classifications	Immediate Action Required
Local Law	(1) TCVN 7435-1:2004, Article 5 (2) Vietnam standard TCVN 3890 : 2009, Article 8 (3) Vietnam Building Code No. QCVN 06:2021/BXD, Article 3 (4) TCVN 2622 : 1995, Article 7
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 factory's fire alarm system does not cover portions of the warehouse area behind workshop #2, the temporary warehouse, or the carton boxes warehouse. Furthermore, the assessment observed at least 8 fire alarm buttons without markings in workshop #1, workshop #2, and the warehouses.

Recommendation for Immediate Action	Install the fire alarm system to cover all areas of the facility. Clearly mark all fire alarm buttons.
Compliance Classifications	Immediate Action Required
Local Law	1) TCVN 3890 : 2009, Article 6, Item 6.1.3 2) TCVN 5738:2001, Article 5
Benchmark ID	HSE.5.1.4
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations
Finding Details	(1) The assessment observed at least 10 obstructed emergency exit routes in workshop #1, the pressing area, and the warehouse. The assessment also observed at least 2 obstructed emergency exit staircases in workshop #1.
Recommendation for Immediate Action	Keep all emergency exit routes and staircases free from any obstructions at all times.
Compliance Classifications	Immediate Action Required
Local Law	1) Vietnam Building Code No. QCVN 06:2021/BXD, Article 3 2) Vietnam Building Code No. QCVN 06:2021/BXD, Article 3
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	<p>(1) The factory stores at least 60 chemical containers in an extended storage area located next to workshop #1, separate from the factory's designated chemical storage area. These containers do not have labels to indicate their contents and potential hazards. (2) The factory does not have a chemical spill clean-up kit in the extended storage area next to workshop #1. (3) The factory stores at least 30 chemical containers without secondary containment or proper labels in the designated chemical storage area. The approximately 60 chemical containers in the area next to the workshop #1 also lack secondary containment. Furthermore, workers who transport chemicals in the factory do not use secondary containment during transportation. (4) The assessment identified at least 30 used chemical containers stored outdoors in front of the hazardous waste storage area, directly exposed to sunlight and rain. The factory does not classify or label hazardous wastes by type in the hazardous waste storage area.</p>
Recommendation for Immediate Action	<p>(1) Label all chemical containers with their contents and main hazards. (2) Provide a chemical spill clean-up kit to be readily available in case of a spill. (3) Provide secondary containment for chemical containers. (4) Store hazardous wastes correctly, classify it by type, and affix all required labels.</p>
Compliance Classifications	Immediate Action Required
Local Law	(4) Decree 38/2015/ND-CP, Article 7 (5) TCVN 5507: 2002, Art. 4
Benchmark ID	HSE.2
Benchmark Details	<p>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.</p>
Finding Details	<p>(1) The factory does not conduct the legally required Working Condition Evaluation on an annual basis. The factory last conducted the Evaluation on September 24, 2020. (2) According to the factory's Environmental Protection Project, the factory will conduct a wastewater quality test every 3 months and an ambient air quality test every 6 months. The factory, however, last conducted both of these tests on January 20, 2021.</p>



Recommendation for Immediate Action	(1) Conduct the Working Condition Evaluation annually, as local law requires. (2) Conduct a wastewater quality test and ambient air quality test according to the Environmental Protection Project.
Compliance Classifications	Immediate Action Required
Local Law	(1) Decree 39/2016/ND-CP, Article 7 (2) Decree No. 40/2019/ND-CP, Article 1, Point 13
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's restrooms lack toilet tissue and hand-drying installations. The waste bins in the restrooms lack a lid to improve sanitation.
Recommendation for Immediate Action	Provide toilet tissue, hand-drying installations, and waste bins with lids in the restrooms.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	(1) The factory's storage shelters lack signage to indicate the maximum weight limit of the shelving units. (2) At least 3 buttonhole machines in the sewing area of workshop #1 have had their original hand shields removed. (3) The factory has not developed a lock-out/tag-out system.

Recommendation for Immediate Action	(1) Post the shelf weight limit at each shelter in the warehouse. (2) Ensure that all machinery carries proper guards and supervise workers to use them properly. (3) Develop and implement a lock-out/tag-out procedure for all relevant equipment.
Compliance Classifications	Immediate Action Required
Local Law	(2) Law No. 84/2015/QH13, Article 6
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) The assessment observed at least 4 obstructed fire extinguishers in the sewing area and finishing area. (2) The assessment observed that one fire extinguisher in the warehouse had not been inspected since June 2021. (3) The assessment observed at least 3 obstructed first aid kits in workshop #2 and the finishing area. (4) The first aid kit in the canteen area only holds approximately 4–5 items, rather than the 27 items required by local law. (5) The factory has not installed an eye-washing station in the extended area next to workshop #1, where the factory stores at least 60 chemicals.
Recommendation for Immediate Action	(1) Keep all fire extinguishers free of any obstructions at all times. (2) Conduct monthly inspections of all fire extinguishers. (3) Keep all first aid kits unobstructed at all times. (4) Ensure that first aid kits hold sufficient supplies, including all legally required items. (5) Install an eye-wash station in the chemical storage area.
Compliance Classifications	Immediate Action Required
Local Law	1) TCVN 7435-1:2004, Article 5 2) TCVN 7435-1:2004, Article 5 3) Circular No. 19/2016/TT-BYT, Article 6 4) Circular No. 19/2016/TT-BYT, Article 6 5) Law on Chemical 2007, Article 37
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	(1) The factory does not conduct the legally required inspections of the LPG system and compressed air system. (2) The factory has not submitted the legally required documentation of its fire safety inspection (conducted by the factory manager) to the local fire authorities. (3) The factory has not renewed its legally required fire and explosion insurance, despite the fact that this insurance expired in January 2021. (4) The factory has not submitted documentation to the local fire authorities to renew its fire prevention and firefighting plans.
Recommendation for Immediate Action	(1) Conduct legally required inspections for all relevant equipment and maintain documentation on file. (2) Submit all legally required documentation, including documentation of fire safety inspections, to the local fire authorities. (3) Renew the facility's fire insurance, as legally required (4) Submit legally required documentation to local fire authorities.
Compliance Classifications	Immediate Action Required
Local Law	1) Decree No. 44/2016/ ND-CP, Article 16 and Circular No. 36/2019/TT-BLDTBXH, Article 2 2) Submit the fire safety inspection record to the fire policeman as legally required. 3) Decree 23/2018/NĐ-CP, Article 2 4) Decree 136/2020/ND-CP, Article 13
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

Finding Details	<p>(1) Management could not provide the construction licenses for several portions of the factory, including the warehouse areas (located behind workshop 2), the sewing workshop (located near the canteen area), the sample room (located near the sewing workshop), the carton box and finished goods warehouse (located behind workshop 1), the finishing area (located next to the canteen) and the quarantine &amp; warehouse area ( located in front of workshop 2). (2) The factory has not identified potential asbestos risk areas or conducted an asbestos risk assessment. (3) The assessment identified at least 30 used chemical containers stored outdoors in front of the hazardous waste storage area, directly exposed to sunlight and rain. The factory does not classify or label hazardous wastes by type in the hazardous waste storage area. (4) The factory has not renewed its wastewater discharge permit, which expired on December 31, 2020. (5) The factory has left a potentially dangerous hole located near workshop #2 uncovered. (6) The factory has not installed barriers in the canteen to prevent transmission between servers and workers. The factory does not ensure that workers maintain a distance of 2 meters in the canteen.</p>
Recommendation for Immediate Action	<p>(1) Obtain proper construction licenses for all buildings, as required by local law. Keep these licenses on file for review. (2) Take proper steps to ensure that workers are not exposed to asbestos. (3) Store all hazardous wastes correctly. Classify and label all hazardous wastes by type, as required by local law. (4) Renew the factory's wastewater permit. Keep the permit on file for review. (5) Cover all holes and keep the factory grounds clear of falling hazards. (6) Ensure that workers remain at least 2 meters apart in the canteen. Install a screen for COVID-19 prevention in the canteen.</p>
Compliance Classifications	Immediate Action Required
Local Law	<p>(1) Law No. 50/2014/QH13, Article 12 &amp; 89 (3) Decree 38/2015/ND-CP, Article 7 (4) Law No. 17/2012/QH13, Article 38</p>
Benchmark ID	HSE.28
Benchmark Details	<p>Employers shall create a system to ensure that all necessary Health and Safety protections are provided for external contractors; including protection when working within , confined spaces, maintenance issues, and general Health and Safety Issues.</p>

Finding Details	The factory does not provide safety informations to contractors or external visitors.
Recommendation for Immediate Action	Provide safety information to all contractors and external visitors to the factory and ensure that they follow safety protocols.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.10.1
Benchmark Details	Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.
Finding Details	The factory stores at least 60 chemical containers without Material Safety Data Sheets (MSDS) in a storage area located next to workshop #1.
Recommendation for Immediate Action	Post MSDSs in appropriate languages for all chemicals in the factory.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 06/2007/QH12 on Chemicals (2007), Art. 29
Benchmark ID	HSE.5.4
Benchmark Details	The emergency evacuation plan (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.
Finding Details	The factory does not conduct chemical spill drills.

Recommendation for Immediate Action	Regularly chemical spill drills and maintain records of the drills for review.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	(1) The factory's risk assessment did not assess work areas and equipment including the canteen, the waste storage area, the chemical storage area, and the air compressor. (2) The factory's risk assessment identifies a risk of eye damage from gluing chemicals, but does not define any actions to address this risk. (3) The factory has not conducted a fire risk assessment.
Recommendation for Immediate Action	(1) Ensure that the risk assessment addresses all working areas and machinery. (2) Conduct follow-up after the risk assessment to identify actions for mitigating the risks identified. (3) Conduct a fire risk assessment to identify all potential fire-related hazards and risks.
Compliance Classifications	Immediate Action Required
Local Law	1) Circular No. 07/2016/TT-BLDTBXH, Article 5 2) Circular No. 07/2016/TT-BLDTBXH, Article 5
Benchmark ID	HSE.30.2

Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies
Finding Details	The factory does not provide an occupational health check for employees performing heavy and/or hazardous work (e.g. stitching, gluing) every 6 months, as legally required. The factory last performed this check in March/April 2020.
Recommendation for Immediate Action	Provide an occupational health check for employees performing heavy and/or hazardous work (e.g. stitching, gluing) every 6 months, as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 84/2015/QH13, Article 36.
Benchmark ID	HSE.7
Benchmark Details	Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.
Finding Details	The factory does not provide gluing workers in the finishing area with gloves and goggles to protect from chemicals in the glue, as called for by the glue's MSDS.
Recommendation for Immediate Action	Provide all proper PPE to workers free of charge, including PPE needed for protection from workplace chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Circular No. 04/2014/TT-BLDTBXH, Article 5

Benchmark ID	HSE.5.2
Benchmark Details	Workers shall be trained in evacuation procedures.
Finding Details	The factory has not posted a map of evacuation routes in the temporary warehouse.
Recommendation for Immediate Action	Post maps of evacuation routes throughout the facility.
Compliance Classifications	Immediate Action Required
Local Law	Circular No. 66/2014/TT-BCA, Article 5
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	Neither of the 2 electricians working at the factory have the legally required professional certificate.
Recommendation for Immediate Action	Ensure that all workers, including the electricians, have proper professional licenses or certifications. Keep this documentation on file for review.
Compliance Classifications	Immediate Action Required
Local Law	Circular 39/2020/TT-BCT, Article 22.
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 adjustable chairs with back supports for employees who work in a sitting position, such as sewing or gluing workers. In addition, the factory does not provide anti-fatigue mats for employees who work in a standing position, such as finishing or pressing workers.
Recommendation for Immediate Action	Take proactive steps to reduce repetitive-motion stress or injuries, including providing adjustable chairs with back support and anti-fatigue mats.
Compliance Classifications	Immediate Action Required
Local Law	

## 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 assessment found that approximately 70% of workers at the factory exceeded maximum limits on monthly and yearly overtime hours in 2020. Approximately 70% of workers exceeded the maximum limit on monthly overtime hours in 2021. In 2020, local law limited overtime hours to 52 per month (in November and December) and total yearly overtime hours to 450. In 2021, local law limited overtime hours to 52 per month (in January, March-June, and October).
Recommendation for Immediate Action	Control working hours to not exceed local legal limits of 40 hours per month and 400 hours per year.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Law 2012, Article 106 (Expired on Jan 1, 2021) and Vietnam Labor Law 2019, Article 107
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	Based on payroll and attendance record reviews during the past 12 months, interviews with factory management and workers, it is noted that the factory applied downtime payment for all workers from 11th July to 30th Sept 2021 due to the outbreak of Covid-19. The factory applied the legal minimum wage (VND 4,420,000) during this time. However, there are two public holidays in September 2021 and the factory paid the legal minimum wage for public holidays instead of basic wage as stipulated in the wage scale. Remark: 1st level in the wage scale of production workers and security guards (VND 4,729,000), mechanic or maintenance workers (VND 4,818,000), team leaders (VND 5,260,000).
Recommendation for Immediate Action	Employees shall be entitled to fully paid for days off on the public holidays as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Labor Law No. 45/2019/QH14, Article 112

## Nondiscrimination (ND)

Benchmark ID	ND.8.1
Benchmark Details	Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.
Finding Details	The factory has not set aside space for breastfeeding mothers.
Recommendation for Immediate Action	Provide a dedicated room for pumping and facilities for storing milk, as per legal requirement.

Compliance Classifications	Immediate Action Required
Local Law	Decree No. 145/2020/ND-CP, Article 80
Benchmark ID	ND.3
Benchmark Details	Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.
Finding Details	The factory's job announcement dated July 1, 2021 states a preference for workers who are at least 18 years of age, despite the fact that the minimum working age is 15 under local law. At the time of the assessment, the factory employed no workers younger than 18 years.
Recommendation for Immediate Action	Remove language regarding age preference from job advertisements. Consider all workers who are legally eligible to work for potential hiring.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code 2019 (Law No. 45/2019/QH14), Article 8

