

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

17 Nov 2021



Factory Information

FLA Affiliates	Fast Retailing Co., Ltd.
Country	Vietnam
Number of Workers	212

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

Employment Relationship (ER)	13
Freedom Of Association And Collective Bargaining (FOA)	1
Harassment Or Abuse (H/A)	1
Health, Safety And Environment (HSE)	16
Hours Of Work (HOW)	2
Nondiscrimination (ND)	1

Assessment Information

Assessor	Openview- China Shenzhen
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Assessment Date	17 Nov 2021
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Assessment Purpose	Factory Assessment (Virtual Compliance Check)
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ASSESSMENT RESULTS

Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
Finding Details	The grievances of workers from the HR Hotline, direct meeting, and regular dialogue is neither recorded nor tracked.
Recommendation for Immediate Action	Record the grievances and their solutions.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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 training contents provided to permanent workers does not align with the FLA benchmark and does not cover the parts of Termination, Retrenchment, Industrial Relation, Worker Involvement Process, Training Possibility, Performance Review and Development etc. 2. The factory has not defined the responsibility and accountability of each employment function in the CSR team.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	There is no specific training on the labor disciplinary system provided at the manager and supervisor level in the factory.
Recommendation for Immediate Action	Provide labor discipline training to managers and supervisors.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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 have a specific training program for supervisors or managers to ensure that all supervisors, managers are trained on national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure the compliance.
Recommendation for Immediate Action	Set up a training program to supervisors and managers including the national law and FLA workplace standards.
Compliance Classifications	Immediate Action Required
Local Law	Nil

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	1. The factory hiring policy does not give juvenile workers opportunities for employment. The factory only hires workers from 18 years old. 2. The child labor remediation plan has not been established and in place. 3. The factory does not establish the policy and procedure for Termination and Retrenchment which outline the steps, timeline and responsibility to ensure that any Termination and Retrenchment that takes place follows the local law and the workers are consulted in the decision making and understand their rights. 4. It is noted that the factory has not established the Job Descriptions yet.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement 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	It is noted that that the factories' internal regulation was approved by the local labor authority on January 8, 2021. However, the factory internal regulation does not state the competency of the personnel to handle labor discipline breaches as per the legal requirement.

Recommendation for Immediate Action	Review the factory internal regulations to cover all the key contents as per the legal requirements.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 118; Decree No. 145/2020/ND-CP, Article 69
Benchmark ID	ER.6.1
Benchmark Details	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.
Finding Details	The factory does not have policies/procedures to encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the workplace or beyond. Besides, the factory does not have a training policy and procedure that defines all the required training, training types for each category of workers, qualified staff member for trainers, training duration and records to ensure workers at all levels receive communication and training about existing policies and procedures or any revisions made.
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 procedure for demotion does not include the necessary documents needed, timelines for each steps, information on workers' right to feedback, and the steps to dispute to ensure the practice follow the local laws and ensure transparency.
Recommendation for Immediate Action	List out the necessary documents and steps in the demotion procedure.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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	<p>1. According to the legal requirement, the probation period is 6 working days for roles like cleaning or trimming or 30 working days for more complex roles. However, the factory applies the probation period from 12 to 31 days for all jobs, starting from the first day workers join the factory. Document review found that sample trimming and carton box packing workers had the probation period of 31 days in months with 31 days of July 2021, and October 2021.</p> <p>2. During the lockdown period from September 6 to 13, 2021 workers had to work, eat/drink and rest on-site. Since the working condition was changed, the factory did not sign a new agreement with any worker, which should clearly regulate their wage and benefit in the new working condition. Remark: The factory explains that the management has consulted with the Trade Union on wage and benefits on September 6, 2021. However, as the interview and document review, it is noted none of the new workers is trade union member. During the lockdown period from September 6 to 13, 2021, the workers' working hours and wages were calculated accurately and workers agreed to work, eat/drink and rest on-site.</p> <p>3. It is noted that the employment contracts do not include all the required contents, such as the phone number, email (if any) of both employer and workers, additional wage, allowance amounts and so on as per legal requirement; 4. It is noted that the factory does not conduct the probation evaluation within three days before the ending date of probation as per factory policy and procedure. The document review noted that the factory only conducted the evaluation on the last day of probation.</p>
Recommendation for Immediate Action	<p>1. Establish the guidance on the probation period based on each job function. 2. Sign new agreement with workers regarding wage and benefits if working conditions are changed. 3. List the required information in employment contracts. 4. Conduct probation evaluation within 3 days of the end of probation, not on the last day.</p>
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 25; Vietnam Labor Code No. 45/2019/QH14, Article 95
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 training contents provided to new workers are incomplete and does not cover the parts of Termination, Retrenchment, Industrial Relation, Worker Involvement Process, Training Possibility, Performance Review and Development etc.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	The factory has not established a policy for Worker Involvement. The factory does not consult workers about the relevant decision making, especially for special categories of workers such as pregnant, nursing, or new workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.4

Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	The Labor Discipline policy is in place. However, the procedure is missing a workers' right to appeal the disciplinary action.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	1. Workers are not provided with written documentation that substantiates all the issues covered in orientation briefings. 2. The orientation training records do not indicate the training time while the factory explains that training is around half of a day. The training records do not mention the trainers. The training review report has not been done to check whether further training is needed.
Recommendation for Immediate Action	1. Distribute training materials with all contents covered among workers. 2. Complete the orientation training records include timeframe, trainer and review reports.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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	Nil

Harassment Or Abuse (H/A)

Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The factory has not developed a Harassment and Abuse procedure nor conducted the Harassment and Abuse risk assessment to identify the risk of Harassment and Abuse in the workplace.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Health, Safety And Environment (HSE)

Benchmark ID	HSE.30.1
Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	1. The environmental procedure is incomplete in the factory. 2. The emergency response procedures and drill for waste water treatment, storms have not been developed.
Recommendation for Immediate Action	Complete the environmental procedure to include emergency response procedures and drill for above areas.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor code 2019, Article 134
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 exit sign and emergency light in the material warehouse of Workshop No.1, packing room of workshop No.2, and boiler room.

Recommendation for Immediate Action	Equip exit sign and emergency light in all working areas.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 136/2020/ND-CP, Article 5
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	One fire alarm and one fire hose at canteen are not clearly marked and obstructed by chairs and tables.
Recommendation for Immediate Action	Keep all the firefighting equipment free from obstruction and mark clearly.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 136/2020/ND-CP, Article 16.
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	1. The chemicals name RP7 (2 bottles) and machine oil (5 bottles) found in the work shop No.1 are not provided with contents or main hazards in local language. 2. The chemicals name RP7 (2 bottles) and machine oil (5 bottles) found in the work shop No.1 are not provided with secondary containers.
Recommendation for Immediate Action	1. Mark contents in local language in chemical containers. 2. Install secondary container for all chemical used and stored.

Compliance Classifications	Immediate Action Required
Local Law	LAW ON CHEMICALS (No. 06/2007/QH12), Article 29 & Article 37
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	Factory does not conduct assessment to determine thermal comfort problems in relevant working areas such as boiler, heat-pressing, air compressor room and warehouse.
Recommendation for Immediate Action	Conduct thermal assessment in the related working areas.
Compliance Classifications	Immediate Action Required
Local Law	Nil
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 has not defined and marked the pathway for passengers in the premise. 2. The factory does not control the ladders and scaffold in a safe manner. A ladder is placed at the canteen area, not being locked or posted with warning signs to avoid unauthorized access and use. 3. The loading capacity of the storage shelves in material warehouse is not marked to educate workers and prevent overload storage. 4. The gas cylinders in the gas storage are not guarded by chains to prevent from falling down. 5. The factory has not implemented for Logout/ Tagout system.

Recommendation for Immediate Action	1. Mark the traffic lane and paths clearly. 2. Control and monitor all ladders and scaffold in a safe manner. 3. Post the loading capacity on the storage shelves. 4. Chain the cylinders in the gas storage areas. 5. Implemented the Logout/ Tagout system
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor code 2019, Article 134; LAW 84/2015/QH13. OCCUPATIONAL SAFETY AND HYGIENE, Article 16.
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. All firefighting extinguishers in the boiler room and air compressor room are put directly on the floor instead of being hung up as per law. The two firefighting extinguishers in the canteen is obstructed by tables. 2. The Fire alarm control panel wrongly indicates fire zone 2 and fire zone 4 of cutting area and warehouse area during the testing. 3. The Eye-wash station is not installed in the chemical warehouse. One out of two faucets of the eye-wash is low in water pressure and not sufficient to use in the emergency
Recommendation for Immediate Action	1. Place the firefighting extinguishers correctly. 2. Inspect and adjust the Fire Alarm Control Panel regularly. 3. Install the eyewash station at or near the chemical warehouse and adjust water pressure in working condition.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 136/2020/ND-CP, Article 5; TCVN 3890:2009, Clause 6.1.1; OCCUPATIONAL SAFETY AND HYGIENE, Article 16
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. The factory has not conducted the test to identify asbestos or taken any steps to ensure that workers are not exposed to asbestos. 2. There is no safety inspection certificate for one air-compressor tank in the firefighting pump room. None of the machines and equipment used in the factory are registered with the local government as per the health and safety requirement 3. The health check for 5 canteen staffs is incomplete. Based on the record, it is found that the illnesses such as cholera, dysentery, typhoid, hepatitis A and E, skin infection, tuberculosis and acute diarrhea are not included. 4. The factory does not guarantee at least 1-meter of distance when conducting the meeting and training for workers or during meals in canteen. Furthermore, there is no limitation on the number of people in each meeting or training room. 5. The factory does not post information on room capacities to allow for at least 1 meter distance between individuals, at all relevant locations. 6. The maximum occupancy is not posted at the entrance of all worker common areas to limit the number of workers inside at a given time. 7. The factory does not reduce the number of workers in each room, to minimize the risk of COVID-19 transmission.</p>
Recommendation for Immediate Action	<p>1. Identify asbestos and protect workers from contacting. 2. Conduct the safety inspection certificate for all air-compressor tanks and maintain the certificates. Register all required machines and equipment in the local government. 3. Provide health check including all the required items for canteen staff. 4. Keep at least one meter distancing during meeting, training and having foods at canteen during the lunch break. 5&6. Post the maximum occupancy at the entrance of common areas and in the meeting room to reduce the risk. 7. Re-arrange the work position to reduce the number of workers in each room/area to minimize the risk of Covid-19 transmission.</p>
Compliance Classifications	Immediate Action Required
Local Law	LAW 84/2015/QH13. OCCUPATIONAL SAFETY AND HYGIENE, Article 31; Circular 155/2018/NĐ-CP, Article 5.
Benchmark ID	HSE.28

Benchmark Details	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.
Finding Details	There is no procedure to manage the sub-contractor onsite. In practice, there are no training records for the workers of sub-contractor's workers. There are no records of monitoring machines and equipment from suppliers, no qualification monitoring of the sub-contractor's workers.
Recommendation for Immediate Action	Establish procedure to manage onsite sub-contractors.
Compliance Classifications	Immediate Action Required
Local Law	Nil
Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	1. The label for the operation buttons and emergency buttons of two spreading machines and boiler are not in local language. 2. The factory uses one light box to test material color, which uses UV light but does not post the signs or alert for the UV light hazards.
Recommendation for Immediate Action	1. Mark the label in local language for the operation buttons and emergency buttons of two spreading machines and boiler. 2. Post the warning sign for UV light in the light box.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor code 2019, Article 134; LAW 84/2015/QH13. OCCUPATIONAL SAFETY AND HYGIENE, Article 16
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 chemicals named RP7 (2 bottles) and machine oil (5 bottles) found in the work shop No.1 are not provided with MSDS in local language.
Recommendation for Immediate Action	Provide MSDS in local language for all workers.
Compliance Classifications	Immediate Action Required
Local Law	LAW ON CHEMICALS (No. 06/2007/QH12), Article 29.
Benchmark ID	HSE.23.1
Benchmark Details	Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature. The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.
Finding Details	The factory provides bottled drinking water to all workers. However, the factory does not conduct a physical test for the bottled water.
Recommendation for Immediate Action	Conduct the physical test for drinking water and keep records.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor code 2019, Article 134 ; QCVN 01:2009/BYT.
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	Workers do not use PPEs (gloves) while taking part in the chemical spill response practice. There was no information regarding training day on the training record to review.
Recommendation for Immediate Action	Provide and monitor workers to use PPE properly.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor code 2019, Article 134
Benchmark ID	HSE.5.2
Benchmark Details	Workers shall be trained in evacuation procedures.
Finding Details	1. There is no evacuation map posted in the inspection area and the packing room of workshop No.2 (155 sqm with around 5 workers working). 2. There is only one captain and one vice-captain of internal firefighting team instead of at least one captain and two vice-captains as per the legal requirement for a factory of this size. 3. The annual re-training for the internal firefighting team with 25 members has not been conducted since July 10-11, 2020 as required by law.
Recommendation for Immediate Action	1. Provide proper evacuation map in all working areas. 2. Assign at least 02 vice-captains for the internal firefighting team. 3. Provide the annual re-training for firefighting team.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 136/2020/ND-CP, Article 5, Article 31 and Article 33
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	It is noted through the site tour check that 01 out of 5 cutting workers are not provided with HSE group III training as per local law.

Recommendation for Immediate Action	Provide HSE Group III training for eligible workers as per law.
Compliance Classifications	Immediate Action Required
Local Law	Decree 44/2016/ND-CP, Article 17
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	<ol style="list-style-type: none"> 1. The factory does not review and provide ergonomic solutions such a back-rest chair for workers especially for pregnant workers. 2. The factory does not review and provide floor-mat for workers who handle prolonged standing work such as QC workers to reduce the fatigue risks.
Recommendation for Immediate Action	<ol style="list-style-type: none"> 1. Provide the chair with backrest to all eligible workers. 2. Provide floor-mat for workers who handle prolonged standing work such as QC workers to reduce the fatigue risks
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor code 2019, Article 134.

Hours Of Work (HOW)

Benchmark ID	HOW.11.1
Benchmark Details	Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.

Finding Details	<p>1. It is noted that the factory pays the untaken annual leaves for resigned workers from February 1, 2021 to October 31, 2021, less than legal requirement due to the wrong calculation. For example, one sample worker resigned on March 26, 2021, he should be paid 3.5 days of annual leave. However, the factory paid only 3 days of annual leave to this worker. Remark: the factory explained that the factory has revised the annual leave calculation method since November 2021, and paid untaken annual leaves for resigned workers properly. 2. When workers took furlough leaves from August 20, 2021 to September 13, 2021, or quarantine leaves for 14 working days due to the Covid 19 pandemic impact, the factory arranges for one-day of annual leave during the furlough leaves or quarantine leaves and only pays the legal minimum wage for the 13 working days. The factory should pay at least legal minimum wage for all 14 working days as per the legal requirement. For example, one worker took quarantine leave from the 1st to 18th October, 2021. The factory arranged this worker to take one-day of annual leave on October 9, 2021, and only pays 13 quarantine days at the legal minimum wage. Remark: The factory explained that factory negotiated with the Trade Union to arrange the annual leave plan in 2021 on December 28, 2020. However, based on the local law, the downtime should be paid and should not be replaced by annual leave.</p>
Recommendation for Immediate Action	<p>1. Review the annual leave calculation method and pay the annual leaves properly. 2. Pay 14 working days for the furlough/quarantine leave and no less than legal minimum wage as per law.</p>
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 113; Decree No. 145/2020/ND-CP, Article 66 & 67; Vietnam Labor Code No. 45/2019/QH14, Article 99
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 time record system is incomplete. The factory uses the fingerprint system to record the working hours of workers. However, for the new workers who joined the factory on October 1, 2021, their working hours are manually recorded by team leaders for wage calculation without time-in and time-out. The factory does not ask them sign to verify their work hours either. In addition, the time records of outsourced workers who work on-site in factory (canteen and security guards) are also done by their team leaders manually without time-in and time-out and workers' signature. 2. It is noted that workers have a pre-production meeting with their team leader, and do cleaning tasks around 10 minutes before their normal working hour from 7:50 am to 8:00am every day. However, the factory does not count the meeting and cleaning time as working hours and pays workers as per legal requirement. The normal working hours is from 8:00 am to 5:00 pm.
Recommendation for Immediate Action	1. Install a reliable time recording system to record the working hour and link to the wage. 2. Record the meetings and cleaning as overtime working hours and pay workers.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 145/2020/ND-CP, Article 58

Nondiscrimination (ND)

Benchmark ID	ND.4
Benchmark Details	Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.

Finding Details	It is noted that the interview questionnaires are asking non-job related questions on gender and marriage status, which might have discrimination risk during the application, recruitment, or hiring process. Remark: the factory sent to auditor their correction after the verification which showed the factory revised the interview questionnaires without asking non-job related questions on gender and marriage status.
Recommendation for Immediate Action	Review interview questions to delete non-job related questions.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 3 & 8

