

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

15 Aug 2022



Factory Information

FLA Affiliates	Delta Galil Industries Ltd.
Country	Vietnam
Number of Workers	500

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)	2
Employment Relationship (ER)	7
Forced Labor (F)	1
Freedom Of Association And Collective Bargaining (FOA)	1
Health, Safety And Environment (HSE)	17
Hours Of Work (HOW)	1
Nondiscrimination (ND)	1

Assessment Information

Assessor	Openview - Vietnam
Assessment Date	15 Aug 2022
Assessment Purpose	Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

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	Knitting workers in the factory are scheduled to work four days of day shifts, have one day off, then work four days of night shifts, then have two days off. Before March 2022, the attendance record system based all calculations on a working month of 26 days, rather than the actual working days for the month. This resulted in workers who worked a full month being paid less than legally required. For example, in January 2022, one sampled worker worked eleven days, took twelve unpaid leave days, and took eight days off. The factory divided the base monthly wage (VND 3,450,00) by 26 to calculate the daily wage, then multiplied the result by 11 days worked, for a total of VND 1,459,615. The factory should have divided VND 3,450,00 by 23 days and multiplied by 11 for a total of VND 1,650,000. The factory has taken the corrective action to revised the wages calculation and pay workers properly since March 2022 after their internal review.
Recommendation for Immediate Action	(1) Calculate wages and pay workers accurately as per legal requirement.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 90 and Decree No. 145/2020/ND-CP, Article 54
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	(1) The factory updated its wage scale on July 1, 2022. The wage scale includes 12 different categories. However, the basic wages of six workers (out of a sample of 32) did not correspond to any of the 12 categories. These six workers are paid more than a "level 1" worker but less than a "level 2" worker, per the wage scale document. (2) The factory provides workers with a monthly childcare allowance of VND 20,000 per month. However, female workers who are caring for their children do not receive monthly childcare allowances during their maternity leaves, as required by local law.
Recommendation for Immediate Action	(1) Conduct all calculations of wages in alignment with stated policies and procedures on compensation. (2) Provide all employee benefits in compliance with local law.
Compliance Classifications	Immediate Action Required
Local Law	(1) Vietnam Labor Code No. 45/2019/QH14, Article 93 (2) Vietnam Labor Code No. 45/2019/QH14, Article 136

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 assessment found that the factory does not follow up on grievances filed by workers. For example, the assessment found that during the worker-management dialogue conducted on May 19, 2022, a worker raised the issue of high temperatures at the inspecting section on the 1st floor of the production building. Factory management, however, did not follow up on this issue or give a response to the worker.
Recommendation for Immediate Action	Ensure that those assigned responsibility for addressing worker grievances do so promptly and thoroughly, including by communicating the progress and actions taken to the complainant.

Compliance Classifications	Immediate Action Required
Local Law	
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	A refresher training on workplace standards conducted on May 25, 2022 for 32 supervisors did not cover all of the FLA Code Elements and Employment Functions. The training did not include thematic content on employment relations, freedom of association and collective bargaining, health safety and environment, hours of work, compensation, recruitment hiring and personnel development, grievances, termination and retrenchment. The training's coverage of employment functions included only policies and procedures for non-discrimination, harassment or abuse, forced labor, child labor, and disciplinary procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement 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	(1) The factory lacks written guidance on age verification processes during the recruitment and hiring stages. (2) The factory provides a monthly special bonus, equal to 3% of the basic wage, for workers who have worked between 3 and 5 years consecutively. For workers who have worked more than 5 years consecutively, the factory provides a monthly special bonus equal to 5% of the basic wage. However, although this bonus is fixed and permanent, the factory has not updated its policy and procedure on wages and benefits to account for it when calculating overtime compensation, night shift compensation, and legally required insurance contributions.
Recommendation for Immediate Action	Include all elements of worker compensation when calculating overtime pay, night shift pay, and mandatory contributions.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 90 and 93.
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	The factory's current practices for labor discipline do not comply with local law or adhere to the formal written procedures. The assessment found no evidence that relevant parties are notified about disciplinary meetings, as required by law. Furthermore, records related to labor discipline are maintained in one central location by the HR department, rather than being saved in each worker's personnel file.
Recommendation for Immediate Action	Conduct all disciplinary procedures in keeping with local law and with the factory's written procedures on discipline, including by notifying all relevant parties of disciplinary meetings in advance and by saving all disciplinary records in the personnel files of the worker involved.

Compliance Classifications	Immediate Action Required
Local Law	Decree No. 145/2020/ND-CP, Article 71
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 has no written policies or procedures on personnel development that encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers.
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 written policy or procedure on demotion that outlines the criteria for demotion or calls for demotion to be linked to job performance.
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 does not consult or integrate workers into decision-making processes affecting working conditions, such as those related to production processes and hours of work.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Forced Labor (F)	
Benchmark ID	F.1.1
Benchmark Details	Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning the prohibition of forced labor and human trafficking.
Finding Details	In interviews, workers stated that to leave the factory premise during the unpaid lunch break, they must provide the factory security guards with a gate pass form approved by their team leader or supervisor. This practice presents a risk of violations of workers' right to freedom of movement. The factory's written procedures on security management and freedom of movement do not include a clear statement that workers are free to leave the factory during the unpaid lunch break. Workers did not report cases of team leaders or supervisors refusing to sign the gate pass form during the interviews.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.
Finding Details	FLA Comment: Vietnam has not ratified ILO Convention 87. Under Vietnamese law, all unions are required to affiliate with a 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	FLA Workplace Code (Freedom of Association Benchmarks FOA.2 and FOA.10)

Health, Safety And Environment (HSE)

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) The temporary parking lot has no exit signs or emergency lights. (2) There are no marked exit routes, exit arrows, or evacuation maps posted in the temporary parking lot. The lot is a built steel structure of approx. 1,500 square meters. The factory is in progress of building a new permanent parking lot with the relevant fire safety authorities' approval.
Recommendation for Immediate Action	(1) Equip exit signs and emergency lights in the temporary parking lot. (2) Mark the exit routes and post evacuation maps at the temporary parking lot.
Compliance Classifications	Immediate Action Required
Local Law	1. TCVN 3890:2009, Clause 10.1.4 2. Decree No. 136/2020/NĐ-CP, Article 5; Circular No. 149/2020/TT-BCA, 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	There are no fire detection system or fire alarms at the temporary motorbike parking lot. The lot is a built steel structure of approx. 1,500 square meters. The factory is in progress of building a new permanent parking lot with the relevant fire safety authorities' approval.

Recommendation for Immediate Action	Install a fire detection system and fire alarms at the temporary motorbike parking lot.
Compliance Classifications	Immediate Action Required
Local Law	TCVN 3890:2009, Clause 6.1.3
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	(1) The chemical storage areas are only partially protected from weather and direct sunlight. The chemical storage areas have walls and roofs, but lack a protective cover around the front doors to prevent weather and direct sunlight from reaching the chemicals. (2) The factory has not posted chemical identification labels or a hazard pictogram for two tanks of machine oil in the knitting workshop.
Recommendation for Immediate Action	(1) Install protection cover for the front doors to protect the chemical storage areas from weather and direct sunlight to prevent the risk of contamination. (2) Prominently post a chemical identification label (in the languages understood by the workforce) and a hazard pictogram for all chemical containers.
Compliance Classifications	Immediate Action Required
Local Law	1. TCVN 5507:2002, Clause 4.2.2 2. Law No. 06/2007/QH12, Art. 4, Art. 27; QCVN 05:2020/BCT, Clause 7.2
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	The factory does not maintain written records of firefighting equipment inspections performed during the night shift. The Firefighting Police performed an inspection on May 5, 2022 and left behind instructions that these inspections be performed and records maintained. The factory indicated that it conducts these inspections, but no documentation was available.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Decree No.136/2020/ND-CP, Article 16, Point 3.
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	1. The factory has not conducted a heat stress assessment for areas with temperature comfort problems such as the dyeing house. 2. The factory has not conducted the necessary tests for a safe working environment (temperature, lighting, noise) for the wastewater treatment plant's operation room, where two workers work. Per local law, these tests for a safe working environment should be conducted annually.
Recommendation for Immediate Action	1. Conduct a heat stress assessment for the dyeing house to understand the working temperature and potential risks. 2. Conduct all necessary tests to ensure that the wastewater treatment plant's operation room is a safe workplace, including tests of temperature, lighting, and noise.
Compliance Classifications	Immediate Action Required
Local Law	1. Law No. 84/2015/QH13, Art. 7; Circular No. 07/2016/TT-BLDTBXH, Art. 3; Circular No. 07/2016/TT-BLDTBXH, Art. 3 2. Law 84/2015/QH13, Occupational Safety And Hygiene, Article 16.

Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	(1) There are no convex mirrors at blind intersections within the factory premises to help workers check for approaching vehicles. In addition, there are no markings for vehicle traffic lanes or pedestrian walk paths in the factory compound. There are no designated forklift travel routes in the finished goods warehouse. (2) The factory has established a lockout-tagout (LOTO) program for equipment and machines, but the factory does not keep a logbook for relevant personnel (mechanic and electricians) to check LOTO devices in and out and track their use.
Recommendation for Immediate Action	(1) Install convex mirrors at blind intersections within factory premises. Provide visible markings for traffic lanes and walking paths. Clearly mark forklift traveling routes at the finished goods warehouse. (2) Maintain a logbook to track the issuance and return of LOTO devices to relevant personnel.
Compliance Classifications	Immediate Action Required
Local Law	1. Law No. 84/2015/QH13, Art. 16 2. Decision 959/QĐ-EVN, Art. 9; Law No. 84/2015/QH13, Art. 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	The factory has not posted a chemical compatibility chart (to check for chemicals that should not be stored near each other) or a chemical storage layout diagram in the ink mixing room at the PAD printing workshop. The ink mixing room also lacks emergency showers.

Recommendation for Immediate Action	Install an emergency shower and post both the chemical compatibility chart and storage layout diagram in language/s understood by the workforce in the ink mixing room.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 06/2007/QH12, Art. 29, Art. 37; QCVN 05:2020/BCT, Clause 5.9, Clause 7.2
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	There are no safety inspection certificates for either of the two chillers located next to the dye-house, nor are there any safety inspection certificates for either of the two chillers on the rooftop of the office building. The chillers are filled with 88-150kg of refrigerant R-134a.
Recommendation for Immediate Action	Conduct periodic safety inspections for the chillers and maintain inspection certificates.
Compliance Classifications	Immediate Action Required
Local Law	Circular No. 36/2019/TT-BLDTBXH; TCVN 6739:2015
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 does not take all necessary steps to prevent contamination of stormwater. The assessment observed spilled boiler ash over stormwater drains and spilled machine oil on the ground. In both cases, the waste was observed in areas where it would be swept into storm drains and cause pollution. 2. The 36 outsourced cleaning staff lack the legally-required occupational health & safety (OHS) training and certificates for their job classification (HSE group 3). For both the outsourced cleaning staff and regular employees, workers who leave the job for more than six months do not receive re-training for their proper OHS group upon their return, as legally required.
Recommendation for Immediate Action	Take all necessary precautions to prevent the contamination of stormwater. Comply with all legal requirements on OHS training and certification.
Compliance Classifications	Immediate Action Required
Local Law	1. Water Resources Law No. 17/2012/QH13, Article 9. 2. Decree No. 140/2018/ND-CP, Article 1, Point 5; Circular No. 06/2020/TT-BLDTBXH.
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	There is no hazard sign or safe operating instructions posted for the hand-held tools, drilling machines, cutting machines, or polishing machines in use at the maintenance workshops.
Recommendation for Immediate Action	Prominently post a hazard warning sign and safe operating procedure, in languages understood by the workforce, for all hand-held tools, drilling machines, cutting machines, and polishing machines at the maintenance workshops.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 84/2015/QH13, Art. 7; QCVN 34:2018/BLDTBXH, Art. 2

Benchmark ID	HSE.3.1
Benchmark Details	Employers shall notify the relevant national and/or local authorities of all illnesses and accidents and environmental emergencies as required by applicable laws.
Finding Details	The assessment found that the factory does not adhere to its own procedures or local law's requirements on investigating occupational accidents. The factory fails to send the investigation records and relevant meeting minutes to the victim, the victim's relative/designated contact, and the local authority as required.
Recommendation for Immediate Action	Implement all investigations of occupational accidents in line with the factory's procedures and legal requirements, particularly the steps of providing records to the victim, the victim's relative/designated contact, and the local authority.
Compliance Classifications	Immediate Action Required
Local Law	Decree No.39/2016/ND-CP, Article 13.
Benchmark ID	HSE.29
Benchmark Details	Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.
Finding Details	(1) All of the high platforms observed during the assessment lacked fall hazard warning signs and "authorized access only" signs. The vertical ladders to the factory's rooftop lack locks to prevent unauthorized use. One high platform at the loading bay (about 1.6 meters above ground) lacked sufficient handrails. The factory has installed two safety handrails on the platform, but they do not enclose the entire perimeter. (2) The lead welding area in the knitting workshop's mechanic room lacks a fume hood to collect hazardous fumes and discharge them outside the building.
Recommendation for Immediate Action	(1) Post warning signs and authorized access signs at all high platforms. Install locks to prevent unauthorized entry on all vertical rooftop ladders. Install sufficient fall protection for the entire perimeter of the high platform located at the loading bay. (2) Install a fume exhaust hood for the lead welding area.

Compliance Classifications	Immediate Action Required
Local Law	1. Law No. 84/2015/QH13, Art. 16 2. Law No. 84/2015/QH13, Art. 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 factory has not posted MSDS for the aerosol rust remover (RP7) and the spray paint located in the mechanic room, nor for the diesel fuel for the fire pump engines located at the fire pump stations.
Recommendation for Immediate Action	Post MSDS prominently in languages understood by the workforce for the chemicals in the mechanic room and for the diesel fuel at the fire pump stations.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 06/2007/QH12, Art. 29; Decree No. 113/2017/ND-CP, Art. 24
Benchmark ID	HSE.18.2
Benchmark Details	Medical staff shall be fully licensed and recognized under applicable national rules and regulations.
Finding Details	All six of the medical staff working in the factory lack the legally-required qualifications in health and the legally-required certification of occupational health training.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	Circular No. 29/2021/TT-BYT, Article 3, Point 3; Law 84/2015/QH13. Occupational Safety And Hygiene, Article 73, Point 4.
Benchmark ID	HSE.18.3.1
Benchmark Details	Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner.
Finding Details	The factory does not maintain written records to demonstrate that staff immediately replace expired medicines and dispose of them in a safe manner.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement 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	The assessment could not review any written records to document that the factory performed an on-site inspection and worker survey to identify occupational health and safety risks, as legally required. Furthermore, the factory has not conducted any risk assessment for work performed by outsourced workers, contractors, and other visitors (for example, firefighting, maintenance, and construction).
Recommendation for Immediate Action	Conduct the occupational health & safety risk assessment as legally required and maintain proper documentation. Ensure that the risk assessment covers the risks faced by outsourced workers and other outside visitors.

Compliance Classifications	Sustainable Improvement Required
Local Law	Circular No. 07/2016/TT-BLĐTBXH, Article 4 and Article 5.
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	There is no warning sign, nor a sign requiring PPE, posted at the air compressor house, where hearing protection is necessary. The factory does not provide earplugs to the maintenance staff who work in the house.
Recommendation for Immediate Action	Post signs warning of loud noise and requiring PPE at all areas with noise risks. Provide earplugs to all maintenance staff who work in high-noise areas.
Compliance Classifications	Immediate Action Required
Local Law	Circular No. 04/2014/TT-BLĐTBXH, Article 6; Law No. 84/2015/QH13, Art. 7

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) During a work suspension in September 2021 due to Covid-19, the factory paid workers seven days' worth of minimum wage and two public holidays with basic salary. The factory also, however, required workers to use between 9 and 17 annual leave days during the suspension. Factory management required workers to use these leave days without any negotiations. This requirement caused some workers to use more annual leave days than they had accrued. The factory responded by subtracting the excess days from workers' pay upon their return to the factory. Furthermore, the factory calculated these deductions incorrectly, subtracting a wage for each excess day that was higher than the wage paid for those days. For example, one sampled worker was instructed to take annual leave in September 2021. The factory paid her for those leave days using the basic salary of VND 3,450,000. When she resigned from the factory, the factory recouped the excess leave days based on a wage of VND 3,623,000. As a result, the factory recouped more from the worker than it had paid her. (2) Prior to March 2022, the factory did not provide annual leave for workers who worked 50% of the working days in a month, as legally required. After an internal review identified this problem, the factory took corrective action to revise the annual leave calculation method from April 2022 onwards.</p>
Recommendation for Immediate Action	<p>(1) Review the annual leave calculation method and pay workers for all annual leave days accurately. (2) Inform workers about the timetable for annual leave usage and payouts. Negotiate any mandatory leave with workers.</p>
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 99 and 113, and Decree No. 145/2020/ND-CP, Article 66.
Nondiscrimination (ND)	
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 hiring request form (an internal form used during the recruitment process) includes non-job-related criteria such as gender (male or female) and education level. These categories pose a risk of discrimination during the application, recruitment, or hiring process.
Recommendation for Immediate Action	Remove all criteria that is not relevant to job qualifications and requirements from the hiring request form.
Compliance Classifications	Immediate Action Required
Local Law	Vietnam Labor Code No. 45/2019/QH14, Article 3 and 8

