

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

12 Sep 2024



Factory Information

FLA Affiliates	Colosseum Athletic Corporation
Country	Vietnam
Number of Workers	165

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

FLA Code Element	Number of Violations
Compensation (C)	4
Employment Relationship (ER)	1
Health, Safety And Environment (HSE)	15
Hours Of Work (HOW)	5

Assessment Information

Assessor	OneStep Viet Co., Limited
Assessment Date	12 Sep 2024
Assessment Purpose	Factory Assessment (In-Person)

ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.6
Benchmark Details	All wages, including payment for overtime, shall be paid directly and in full within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.
Finding Details	According to the CBA, salary payments for each month shall be made from the fifteenth to the twentieth of the following month. However, the salaries are not paid within this period. In detail: - The salary for April 2024 was paid on May 17, May 23, May 25 and May 28, 2024; - The salary for May 2024 was paid on June 21, 2024 and June 24, 2024; - The salary for June 2024 was paid on July 23, 2024; - The salary for July 2024 was paid on August 21 - 23, 2024.
Recommendation for Immediate Action	The company shall paid the salary on time, in accordance with the CBA.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 94
Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	The factory applied an incorrect overtime premium calculation for 8 security guards who worked night shifts on holidays (2x holidays in April 2024). Legal requirements state that such hours shall be calculated by [basic monthly salary / 26 days (normal working days of April 2024) * working hours * 390%]. The factory used [basic monthly salary / 30 days * working hours * 300%]/

Recommendation for Immediate Action	Calculate and pay overtime sufficiently. Provide back pay to ensure these security guards receive full payments for the hours worked.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 145/2020/ND-CP, Article 54, 55 and 58; Law No. 45/2019/QH14, Article 98 and 112
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	Workers at the factory have 10.5% of their monthly salaries deducted for compulsory insurance contributions, which includes 8% for social insurance. However, according to the latest notification from the local insurance agency, issued on August 27, 2024, the factory has not contributed to the compulsory social insurance for its workers for the past 12 months. The last contribution to compulsory social insurance was made in July 2023. The announcement states that the factory owes approximately 8.3 billion VND.
Recommendation for Immediate Action	Contribute to social insurance for workers as legally required, including catching up on all payments in arrears.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 58/2014/QH13, Article 21
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.

Finding Details	1) The termination payout is not paid within 14 working days from the termination day. For example, worker A left employment on April 15, 2024. However, their termination payout was paid on June 4, 2024; 2) The factory does not provide monthly allowances for the safety-hygiene network members (around 15 persons) as legally required.
Recommendation for Immediate Action	1) Make all termination payouts within 14 working days following the termination of an employment contract; 2) Ensure the monthly allowance for workers in the safety-hygiene networks, as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 48 and Law No. 84/2015/QH13, Article 74

Employment Relationship (ER)

Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	The factory did not communicate to elderly employees that they have the right to negotiate with their employer on reduction of their daily working hours or to work on a part-time basis.
Recommendation for Immediate Action	Elderly employees are entitled to negotiate with their employer on reduction of reduce their daily working hours or to work on a part-time basis.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 148

Health, Safety And Environment (HSE)

Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	1) The factory does not conduct an annual first aid training. The last training was conducted on December 3, 2022 and expired on December 3, 2023; 2) The factory does not conduct fire safety training for its fire team (26 persons) as legally required.
Recommendation for Immediate Action	1) Ensure to conduct the annual first aid training as legally required; 2) Provide fire safety training for the fire team on a regular basis as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Circular No. 19/2016/TT-BYT, Article 9 and 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	An exit aisle in the cutting area has unclear markings and arrows, and another in the same area has no markings or arrows.
Recommendation for Immediate Action	Ensure that all exit aisles are marked with directional signs and indicating lines for safe movement and evacuation.
Compliance Classifications	Immediate Action Required
Local Law	National Standard TCVN 2622:1995, Article 7

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	At least three exit signs and emergency lights were not functional in the production area and one exit staircase at the time of assessment.
Recommendation for Immediate Action	Ensure that exit signs and emergency lights are fully functional at all times, including with backup power.
Compliance Classifications	Immediate Action Required
Local Law	National Standard TCVN 13456:2022, Article 4
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	1) The fire alarm control panel, which is located in the security room, was turned off at the time of assessment. As a result, the automatic fire alarm for the factory was deactivated. Factory management explained that the fire alarm control panel was turned off in order to fix the alarm system in a workshop that was leased for another company; 2) One manual call point at the cutting area is obstructed by materials, blocking the fire alarm activation button; 3) There is no identification sign at one manual call point at the lobby of the production area.
Recommendation for Immediate Action	1) Ensure that the fire alarm system is functional so that the automatic fire alarm can notify workers of emergencies at all time; 2) Ensure all fire equipment is unobstructed at all times; 3) Ensure that call points for emergencies are clearly labeled with identification signs in the proper language/s
Compliance Classifications	Immediate Action Required

Local Law	National Standard TCVN 5738:2021, Article 4 - 7
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	Three exit aisles in the sewing area and the cutting and packing area were partly obstructed by piles of fabric at the time of assessment.
Recommendation for Immediate Action	Ensure emergency exits and exit aisles are free from obstruction at all times.
Compliance Classifications	Immediate Action Required
Local Law	National technical regulation QCVN 06/2022/TT-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	1) In the hazardous waste storage area, a used oil container is stored together with used fluorescent lamps without classification; 2) The assessment observed hazardous waste (used chemical containers) improperly stored in the plant area of the factory; 3) A number of bottles and cans of machine oils in the maintenance room and production area do not have labels.
Recommendation for Immediate Action	Ensure that hazardous waste is stored in designated hazardous waste storage, properly classified and protected. Ensure that all chemicals are fully labeled in the appropriate language/s.
Compliance Classifications	Immediate Action Required

Local Law	Law No. 72/2020/QH14, Article 81 and 83 and Circular No. 32/2017/TT-BCT, Article 6
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	There are no trash cans, paper, soap, or drying facilities for hand washing in the washrooms in the production area.
Recommendation for Immediate Action	Provide trash cans, tissues, and soap and drying means for the washrooms.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 84/2015/QH13, Article 16
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 wires connecting to two electrical panels in the electrical room are exposed and not enclosed in a conduit on insulating material, posing a safety hazard; 2) One circuit breaker in the sewing area has an exposed electrical connection that is not covered by any insulating material; 3) Three electricity outlets in the ironing area are attached to a wooden board, which is a flammable material and poses the risk of fire.
Recommendation for Immediate Action	Ensure that all wires, electrical outlets and control panels are safe by enclosing all wires and connections and removing flammable materials,
Compliance Classifications	Immediate Action Required

Local Law	Decree No. 136/2020/ND-CP, Article 5
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	1) One sewing machine in the production area is not equipped with a lower pulley guard; 2) The machine guards of three snap button attaching machines are intentionally deactivated during operations; 3) There is one pressure tank (boiler) whose inspection validity period, as indicated on the inspection label, had expired at the time of assessment. The expiration date on the inspection label was on September 8, 2024. Factory management explained that this machine was undergoing a renewal process at the time; 4) A compressed air pipeline and a compressed air cylinder in the production area have not been inspected.
Recommendation for Immediate Action	Equip sufficient safety guards for all machines and ensure they are used during operations; 2) Conduct inspections of machinery and equipment within the proper timelines, as required by law.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 84/2015/QH13, Article 16; Decree No. 44/2016/ND-CP, Article 16 and Circular No. 36/2019/TT-BLDTBXH, Article 1
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	<p>1) One (01) fire extinguisher and one (01) fire hose at the cutting area are obstructed by the fabric wastes along the production area; 2) The factory did not install the automatic fire-fighting system (sprinkler system) at the warehouses as noted and required in the fire safety inspection report of the fire police department when this department inspected the facility on August 2, 2024; 3) At least twenty (20) fire extinguishers in the production area have not been fully inspected monthly as required by law. The last time recorded that those extinguishers were inspected was between March 1st, 2024, and June 1st, 2024; 4) One (1) fire extinguisher in the fire-fighting water pump area had not been inspected before being put to use at the time of the assessment; 5) The factory does not conduct the regular maintenance for its fire-fighting system and automatic fire alarm system as legally required.</p>
Recommendation for Immediate Action	<p>1) Ensure fire equipment unobstructed; 2) Install the proper automatic fire-fighting system; 3) Ensure that fire extinguishers are fully inspected monthly as required by law; 4) Provide the regular maintenance for the fire-fighting system and automatic fire alarm system as legally required.</p>
Compliance Classifications	<p>Immediate Action Required</p>
Local Law	<p>National technical regulation TCVN 7435-1:2004, Article 5; National Standard TCVN 7435-2:2004, Article 4; National Standard TCVN 3890:2023, Article 4 and Circular No. 17/2021/TT-BCA, Article 8</p>
Benchmark ID	<p>HSE.4.1</p>
Benchmark Details	<p>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.</p>

<p>Finding Details</p>	<p>1) The documents related to the construction permit and the completion report of the construction work were not available for review; 2) The factory did not have a fire safety acceptance certificate as noted in the fire safety inspection report of the fire police department when this department conducted the inspection on August 2, 2024; 3) The factory has not conducted safety assessments for buildings older than 10 years old, as legally required. Factory management shared that the factory’s buildings were built in 1987; 4) The factory has a wastewater treatment system which is no longer functional. In addition, the wastewater discharge license of the factory expired in May 2024.</p>
<p>Recommendation for Immediate Action</p>	<p>1) Maintain the legal license (including the construction permit and completion report); 2) Conduct, acquire and properly keep the certificate of the fire safety acceptance; 3) Ensure to conduct the safety assessments for the buildings older than 10 years old as legally required; 4) Ensure to renew the wastewater discharge license.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>Law No. 50/2014/QH13, Article 12 and 89; Decree No. 136/2020/ND-CP, Article 5; Decree No. 136/2020/ND-CP, Article 5 and Law No. 72/2020/QH14, Article 40</p>
<p>Benchmark ID</p>	<p>HSE.1</p>
<p>Benchmark Details</p>	<p>Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.</p>

<p>Finding Details</p>	<p>1) The factory does not conduct the legally mandated occupational health and safety risk assessment; 2) The fence of the second floor's lobby in the production area is broken and has not had any repair measures at the time of assessment, posing a risk of falling from the second floor; 3) The wastewater generated from the operation of air compressor is improperly released onto the surrounding floor and is not collected; 4) The factory has not conducted the annual health check-ups for its workers in the last 12 months. The last time workers were provided with health check-ups was in 2022; 5) The factory does not maintain or manage records related to occupational accidents. Therefore, information about occupational accidents in the factory could not be verified at the time of the assessment; 6) The factory does not conduct asbestos identification and assessment as per applicable standards; 7) Two (02) first aid kits in the production area have only 6 items each, rather than the 27 items required by law.</p>
<p>Recommendation for Immediate Action</p>	<p>1) Provide regular health checks for all workers as legally required; 2) Repair the fence enclosing the second floor lobby; 3) Ensure that wastewater generated from operations of machines is properly gather and treated; 4) Provide annual health check-ups for the workers as legally required; 5) Properly archive or manage records related to occupational accidents; 6) Conduct asbestos identification and assessment as per all applicable standards; 7) Regularly check and supply to ensure sufficient items of first aid kits.</p>
<p>Compliance Classifications</p>	<p>Immediate Action Required</p>
<p>Local Law</p>	<p>Law No. 84/2015/QH13, Article 21, 77; Circular No. 07/2016/TT-BLDTBXH, Article 3 - 8; Law No. 84/2015/QH13, Article 16; Law No. 72/2020/QH14, Article 86; Decree No. 39/2016/ND-CP, Article 16 and Circular No. 19/2016/TT-BYT, Article 6</p>
<p>Benchmark ID</p>	<p>HSE.10.1</p>
<p>Benchmark Details</p>	<p>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.</p>

Finding Details	A number of bottles and cans of machine oils in the maintenance room and production area do not have MSDS and secondary containment.
Recommendation for Immediate Action	Ensure to have secondary containment and MSDS in the proper language/s for all chemicals.
Compliance Classifications	Immediate Action Required
Local Law	Article 24 of Decree No. 113/2017/ND-CP
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	The factory does not conduct the health and safety training for the workers who belong to Group 4 (regular workers) on an annual basis, as legally required. The last training was conducted in August 2023 and expired August 2024.
Recommendation for Immediate Action	Provide the annual health and safety training the workers in Group 4 (regular workers) as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Decree No. 44/2016/ND-CP, Article 21
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	1) Workers in the sewing area are not provided with adjustable chairs with back rests. 2) Workers in the ironing area do not use the provided standing mats.

Recommendation for Immediate Action	Provide adjustable chairs with back seats and anti-fatigue mats for workers, and ensure that they are utilized.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 84/2015/QH13, Article 16

Hours Of Work (HOW)

Benchmark ID	HOW.22.2
Benchmark Details	Accurate time records shall be maintained by employers, including overtime, breaks, and leave.
Finding Details	When workers report to work on designated rest days, these hours are not recorded using the fingerprint timekeeping system. Instead, these working hours are recorded manually, with only the number of working hours (no time in/out), and coded as "business allowance" or "other payment" in the payrolls. As a result, the working hours and payments could not be fully verified.
Recommendation for Immediate Action	Record all work hours performed completely and accurately.
Compliance Classifications	Immediate Action Required
Local Law	N/A
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	1) Security guards work in shifts of 12 hours (from 7:00 to 19:00 and from 19:00 to 7:00) instead of 8 hours as mentioned in the labor contract and internal regulation; 2) These security guards are paid a package salary that is not broken down by normal/OT hours. Thus, it could not be verified that they were paid the correct overtime premium or not.
Recommendation for Immediate Action	1) Ensure normal working hours do not exceed 08 hours per day or 48 hours per week; 2) Control the overtime hours as legally required; 3) Check and pay the overtime premium, if any is applicable.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 105 and 107
Benchmark ID	HOW.3
Benchmark Details	Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.
Finding Details	The factory does not provide short breaks to workers during the day.
Recommendation for Immediate Action	Establish and implement a formal system of short daily breaks for workers, as required by law.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 109
Benchmark ID	HOW.21
Benchmark Details	Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

Finding Details	Approximately 10-20% of workers (production workers and security guards) worked between 60 and 72 total working hours (normal hours and OT hours) per week during the period reviewed from August 2023 to July 2024.
Recommendation for Immediate Action	Ensure workers do not work more than 60 hours per week.
Compliance Classifications	Immediate Action Required
Local Law	N/A
Benchmark ID	HOW.2
Benchmark Details	Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.
Finding Details	Approximately 10-30% of workers (production workers and security guards) worked anywhere from 13 to 30 days continuously in a month, without rest days, during the period reviewed from August 2023 to July 2024.
Recommendation for Immediate Action	Ensure that workers always receive 24 consecutive hours of rest every seven days.
Compliance Classifications	Immediate Action Required
Local Law	Law No. 45/2019/QH14, Article 111

