



FAIR LABOR
ASSOCIATION_®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Branded Custom Sportswear, Inc
Nike, Inc

COUNTRY: Vietnam

ASSESSMENT DATE: 07/06/18

ASSESSOR: One Step Vietnam

PRODUCTS: Apparel

NUMBER OF WORKERS: 984

Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The legal minimum wage for newly hired worker shall be VND 4,374,000 (USD 187). However, the documented wage levels of the factory start from the lowest wage at VND 4,165,000 (USD 178) which is inconsistent with the wage scale which is approved by the local authority. Remark: As per actual practice, the factory pays correctly with the lowest rate higher than VND 4,165,000 (USD 178). This concern is only for documentation. [ER.1, C.2]
2. The factory does not develop procedures on raising or broadening skills in order to advance workers in their careers within the factory or beyond. [ER.28]
3. The factory has not established written policies and procedures with regard to demotion and job reassignment that are transparent and fair in their implementation. [ER.30]
4. The factory has not developed written policies and procedures with regard to performance reviews include steps and processes, demonstrates linkages to job grading, contract signing, prohibits discrimination, provides written feedback, and complies with legal requirements. [ER.29]
5. The factory has conducted the assessment after probation to decide the worker could sign the permanent contract or not. However, the assessment does not have key performance indicators, the decision is made on supervisor's personal judgment only. In addition, the assessment form does not allow workers to write feedback and does not have worker's signature. [ER.29.1]
6. The factory does not conduct the training for their workers (including new workers and existing workers) about policies and procedures (Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health and Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System). [ER.1, ER.25, ER.27, ER.28, ER.29, ER.30, ER.31, ER.32]

Local Law or Code Requirement

Decree No. 49/2013/ND-CP and FLA Workplace Code (Employment Relationship Benchmarks, ER.1, ER.29, ER.30 and ER.31)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The legal minimum wage for newly hired worker which was amended by VND 4,374,000 (USD 187). to be rotation VND 4,165,000 (USD 178) . Compliance PIC to combine to TU for checking and implementing before upgrade the minimum wage.
 - HR person in charge who combined with Trade Union to deploy the memo and emend the minimum wage number for more correctly
 - Compliance department checked the implementation in whole the factory .

2. The factory had developed the procedures on raising or broadening skills in order to advance workers in their careers within the factory or beyond. [ER.28]
 - The PIC will tracking and implementing the procedure as annually.
 - HR person in charge who had deployed the raising or broadening skills procedures and implementation whole the factory.
 - Compliance will check and help implementation the raising or broadening skills position to follow as the procedure.
3. The factory had established written policies and procedures with regard to demotion and job reassignment that are transparent and fair in their implementation. [ER.30]
 - HR person in charge who had deployed job reassignment procedures and implementation whole the factory.
 - Compliance will check and help the job reassignment to follow as the procedure or recommend to revised it if that need.
4. The factory has developed written policies and procedures with regard to performance reviews include steps and processes, demonstrates linkages to job grading, contract signing, prohibits discrimination, provides written feedback, and complies with legal requirements. [ER.29]
 - HR person in charge who had deployed job performance reviews procedures and implementation whole the factory.
 - Compliance will check and help the performance reviews to follow as the procedure or recommend to revised it if that need.
5. The factory has conducted the assessment after probation to decide the worker could sign the permanent contract or not. However, the assessment does not have key performance indicators, the decision is made on supervisor's personal judgment only. In addition, the assessment form does not allow workers to write feedback and does not have worker's signature. [ER.29.1]
 - HR person in charge who had deployed job the assessment after probation/ permanent contract procedures and implementation whole the factory.
 - Compliance will check and help to follow job the assessment after probation/ permanent contract procedure as the procedure or recommend to revised it if that need.
6. The factory had conducted the training for their workers (including new workers and existing workers) about policies and procedures (Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health and Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System). [ER.1, ER.25, ER.27, ER.28, ER.29, ER.30, ER.31, ER.32]
 - Compliance had upgraded the training procedure and plan for Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health and Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System to conduct by relevant department as HR/CR/TU,..
 - Compliance will check and help to follow as the procedure or recommend to revised it if that need.

Planned completion date
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FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not regularly review of its policies and procedures for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health and Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System. [ER.1, ER.29.1.1, ER.30.2, ER.31.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29.1.1, ER.30.2, ER.31.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory had been regularly review of its policies and procedures for the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Industrial Relations, Health and Safety, Environmental Protection, Termination & Retrenchment, Workplace Conduct & Discipline, and Grievance System. [ER.1, ER.29.1.1, ER.30.2, ER.31.2]
 - Compliance_ Lien who had been upgrade the compliance profiles
 - Compliance manager who will teach and check as annually or remind the staff to upgrade the compliance profiles.

Planned completion date

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory calculates unused annual leave for resigned workers incorrectly as they use 26 days as a standard number of days for calculations, independent of how many days of work there are per month. The factory uses the monthly wage divided by the paid-days of the current month to calculate the unused annual leave instead of previous month to calculate the unused annual leave as per local law. For example, when the factory calculates the unused annual leave for the worker who resigns in March 2018, the factory uses March monthly wage divided by 26 paid-days to calculate one unused annual leave instead of February monthly wage, which should be divided for 24 paid-days to calculate the unused annual leave payment. Thus, the annual leave payment is paid insufficiently for this worker. [HOW.11, C.5]
2. The security service provider pays the overtime to premium to the 15 security guards who work overtime. However, the payment is insufficient for security guards who work on holidays. The security service provider pays 300% of regular payment for security guard who works on holiday night shifts instead of at least 390% as legally required. In addition, the responsible allowance has not been added into monthly basic wage to calculate the overtime premium for the security guards as legally required. [C.7]
3. The 15 security guards from the service provider and 12 canteen service provider do not guarantee the monthly wage and overtime wage for the month that has less than 26 pay-days such as February 2018 and April 2018. For example, in February 2018, those service providers use $\text{monthly wage}/26 * 24$ (February 2018 has 24 paid-days) to calculate the monthly wage instead of $\text{monthly wage}/24 * 24$ to guarantee the fully monthly wage. The hourly rate to calculate for the overtime premium is calculated in the same method. Thus, both of the monthly wage and overtime wage are not guaranteed when workers work in those months. These workers are paid less than the required amount ranging from VND 269,000 (USD 11.50) to VND 292,000 (USD 12.50) [C.1, C.7]
4. The factory provides child-care allowance for female workers. However, not all required workers are provided with this benefit (about 10% of workers have not received this benefit). The factory only provides to female workers whose children are from 1-year-old to 6-year-old instead of to whose children are from 6-month-old (when worker comes back to work after maternity leave) to 6-year-old as legally required. [C.1,C.5]
5. It is noted that factory conducts fire skill training for 40 members of fire-fighting team on March 31 and April 1, 2018. However, the factory does not provide a support/incentives of 0.5 day's basic salary per training day for each member sufficiently. [C.1]

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 26; Labor Code 2012, Art. 97, Decree No. 05/2015/ND-CP, Art. 25, Labor Code 2012, Art. 154, Decree No. 79/2014/ND-CP, Art. 35; FLA Workplace Code (Compensation Benchmarks, C.1 and C.7); FLA Workplace Code (Hours of Work Benchmarks, HOW.11)

Recommendations for Immediate Action

1. Ensure to pay the unused annual leaves for the resigned workers correctly as legally required.
2. Ensure to guarantee the overtime premium to the workers as legally required.
3. Ensure to guarantee the monthly wage and overtime premium for the workers as legally required.
4. Ensure to provide the child care allowance to the female workers as legally required.
5. The factory is advised to provide a support/incentives for the fire-fighting team as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory had calculated and paid for unused annual leave for resigned workers incorrectly as they use 26 days as a standard number of days f, the annual leave payment is paid insufficiently for this worker. The factory will assign PIC to check the payment by monthly as procedure and tracking that for sustainable. [HOW.11, C.5]

- The factory assigned person in charge payment and compensation to calculating and checking all payment correctly and timely as buyer standards more and more.
 - Head of HR department and relevant accountant who must check carefully about payment end compensation by monthly for follow the Nike CSL/COC
 - Compliance will double check and annually checking/ internal audit
2. The security service provider had already set the overtime payment for the security guards as legally required. [C.7]
The factory will assign GA Xuan to be checked the payment record by monthly. PIC of compliance will double check and report for sustainable about that.

- GA Xuan who will check the payment and compensation correctly and timely to Security supplier as buyer standards.
 - Head of HR department and relevant who must check carefully about payment end compensation by monthly for follow the Nike CSL/COC by monthly
 - Compliance will double check and annually checking/ internal audit
3. The canteen service provider had already provided the payment. The factory will assign GA_Tuyen to be checked the payment record by monthly. PIC of compliance will double check and report for sustainable about that
- HR Tuyen who will check the payment and compensation to canteen employee correctly and timely as buyer standards.
 - Head of HR department and relevant who must check carefully about payment end compensation to Canteen supplier by monthly for follow the Nike CSL/COC by monthly
 - Compliance will double check and annually checking/ internal audit
4. The factory provides child-care allowance for female workers from 6-month-old (when worker comes back to work after maternity leave) to 6-year-old as legally required. [C.1,C.5]
- The factory assigned person in charge of HR who will amended the child care allowance form 6 month old to due 6 year old
 - The factory assigned person in charge of HR who deployed the memo to whole the factory about the issue for implementation that
5. The factory had deployed the payment list of 40 members of internal fire-fighting team who joined the fire training on March 31 and April 1, 2018 by law[C.1]
- The factory assigned compliance PIC_Canh to set training participant list in Mar 31 2018 and April 1 2018.
 - Phuong_ HR set the calculate the amount of money as the list for Top management approval
 - Canh monitored/ checked the payment to 40 members of internal fire-fighting team and kept the record
 - Canh has been revising, maintaining, training and tracking the procedure annually for preventing the wrong process or calculation

Planned completion date
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FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory does not provide a copy of Collective Bargaining Agreement (CBA) for all workers. [ER.16.2]
2. The factory has an approved term of the Trade Union from 2017 – 2022 by the local authority. However, there are neither records on file that indicate that any elections have been held nor any written operational procedures that pertain to such elections. Thus, the board of Trade Union has 9 members, but they have totally appointed by the factory management instead of conducting an election. [ER.2, FOA.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, and ER.16.2) and FLA Workplace Code (Freedom of Association and Collective Bargaining Benchmark FOA.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory had provided a copy of Collective Bargaining Agreement (CBA) for all workers. [ER.16.2]
 - Compliance to aske Top management for making small CBA copy and delivery to whole employee
 - Compliance sent the record form for all employee to sign and record that
2. The factory has an approved term of the Trade Union from 2017 – 2022 by the local authority and conducted these document by law[ER.2, FOA.1]. The factory will record a copy as share to relevant for showing the auditor at any time
 - Trade Union who had found all document for setting the Trade Union from 2017-2022
 - Compliance checked and made these soft files for saving and report

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FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The disciplinary procedure does not match with the disciplinary regulations in the approved Company Regulation. In addition, the disciplinary procedure does not have the personnel who are exempt from discipline such as pregnant workers and workers who have children under 12 months old. [ER.27]
2. The disciplinary procedure does not match with the legal requirements, the legal requirement requires three kinds of discipline. However, the factory's disciplinary procedure has six kinds of discipline. In addition, the disciplinary form could not be used to prove the fault of the worker. The factory does not provide a copy of the disciplinary form and results in the worker's personal files. [ER.27]
3. The termination procedure mentions incorrectly about the severance payment for resigned workers. It lacks the mandatory time to be included in calculating severance pay, such as probation, training, and maternity, as legally required. As per actual practice, the factory pays the severance payment sufficiently for resigned workers. This concern is only for documentation. [ER.1]
4. The factory has not developed the retrenchment policies and procedures. [ER.25]
5. The factory does not have non-retaliation policy to protect the worker who raise their complaints. [ER.25]
6. The factory does have grievance procedure. However, it is incomplete. It does not have channels for raising the complaints as well as the procedures for each channel. In addition, the procedure does not have specific channel for grievance with and without disclosing personal information. On the other hand, the factory uses the suggestion box, but the factory does not track the suggestion box on regular basis. [ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks, ER.1, ER.25 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The person in charge had upgraded disciplinary procedure to follow the local law [ER.27]
.HR/TU and compliance who will double check and implement procedure in whole the factory.
 - Compliance person in charge who upgrade the procedure, and HR make the memo for whole the employee to follow the penalty procedure by law
 - Compliance to check and hold the training for implementation procedure on the company
2. The disciplinary format which was revised to follow the legal requirements, the legal requirement requires three kinds of discipline. . [ER.27]
HR and PIC of compliance who will checking for implementing it.
 - Compliance person in charge who upgrade the format, and HR make the memo for whole the employee to follow that.
 - Compliance to check and instruct to relevant department before implementation that.
3. The person in charge who had upgraded procedure and conducted to payment for Top management approved and paid by bank transfer resigned workers. [ER.1]
 - HR person in charge who had deployed payment procedures and implementation whole the factory.
 - Compliance will check and help the payment staff to follow as the procedure or recommend to revised it if that need.
4. The factory has built up developed the retrenchment policies and procedures. [ER.25]
 - HR person in charge who had deployed developed the retrenchment procedures and implementation whole the factory.
 - Compliance will check and help to follow as the procedure or recommend to revised it if that need.
5. The factory had deployed policy to protect the worker who raise their complaints. [ER.25]
 - HR person in charge who had deployed developed the procedures and implementation whole the factory.
 - Compliance will check and help to follow as the procedure or recommend to revised it if that need.
6. The factory had already upgraded the grievance procedure with many channels for raising the complaints as well as the procedures for each channel, hotline, email and the suggestion box. for along time [ER.25]
 - Compliance person in charge who upgrade the format, and implement whole the employee to follow that.
 - Compliance to maintain the grievance system with many effective channels

Planned completion date

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FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The secondary containments are not provided for the Acetone containers which are located at chemical warehouse. [HSE.9.1]
2. Hazardous wastes, such as used chemical containers at hazardous waste storage are not stored in secondary containment. On the other hand, used chemical containers are not stored in the designated area. These are stored at the boiler area. In addition, the hazardous wastes are not labelled with the designated code at the hazardous waste storage. [HSE.9.1]

Local Law or Code Requirement

Circular No. 36/2015/TT-BTNMT on Management of Hazardous Wastes (2015), Art. 6 and FLA Workplace Code (Health, Safety & Environment Benchmark HSE.9.1)

Recommendations for Immediate Action

1. Provide secondary containments for the chemicals containers at chemical warehouse.
2. Store all the hazardous wastes in secondary containment. Label all the hazardous wastes with designated code in the hazardous waste storage.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The in-charge person of the factory had provided the secondary containments are not provided for the Acetone containers which are located at chemical warehouse. [HSE.9.1]

- Mr. Canh had mechanic to provide the second container to keep empty acetone container inside as procedure.
 - Compliance will tracking and training relevant employee again and annually
2. Hazardous wastes, such as used chemical containers at hazardous waste to be storage in secondary containment. On the other hand, used chemical containers in the designated area and provided labelled with the designated code at the hazardous waste storage. [HSE.9.1]
- Mr. Canh reminded the cleaner how to put the empty chemical cabinet right place/ on the second container.
 - Compliance will tracking and training relevant employee again and annually

Planned completion date

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FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The non-hazardous wastes were not classified for recyclable and non-recyclable types. [HSE.1]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The non-hazardous wastes were classified for recyclable and non-recyclable types. [HSE.1]

- The company assigned the person in charge to classifies the non hazardous waste as regulation and tracking about for reporting that
- Compliance person in charge who will check and instruct cleaner how to move and arrange the non hazardous waste as regulation

Planned completion date
09/06/18

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not conduct chemical training for:
 - Group 1: The person who manages and is in charge of the occupational safety and sanitation;
 - Group 2: The person performs the occupational safety and sanitation. [HSE.9]
2. The factory does not conduct the health and safety training for Group 3 (cutting workers) and Group 5 (medical personnel). [ER.1]

Local Law or Code Requirement

Decree No. 113/2017/ND-CP, Art. 32; Decree No. 44/2016/ND-CP, Art. 17 and FLA Workplace Code (Employment Relationship ER.1, Health, Safety & Environment Benchmark HSE.9)

Recommendations for Immediate Action

1. Provide training regarding chemical safety for 2 Groups as law requirement.
2. Provide training regarding occupational safety and hygiene for 6 Groups as law requirement.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory had been conducted to hold chemical training for:
 - Group 1: The person who manages and is in charge of the occupational safety and sanitation;
 - Group 2: The person performs the occupational safety and sanitation. [HSE.9]
2. The factory conducted the health and safety training for Group 3 (cutting workers) and Group 5 (medical personnel). [ER.1]
 - Compliance to report to Top management for hold the training by law to Group 3 and Group 5 by law
 - Compliance person in charge to check about the training and certifying process as the records
 - Compliance person in charge will tracking and update the training list by quarterly and yearly

Planned completion date
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Action Plan no 2.

Description

1. The factory had been conducted to hold chemical training for:
 - Group 1: The person who manages and is in charge of the occupational safety and sanitation;
 - Group 2: The person performs the occupational safety and sanitation. [HSE.9]
2. The factory conducted the health and safety training for Group 3 (cutting workers) and Group 5 (medical personnel). [ER.1]
 - Compliance to report to Top management for hold the training by law to Group 3 and Group 5 by law
 - Compliance person in charge to check about the training and certifying process as the records
 - Compliance person in charge will tracking and update the training list by quarterly and yearly

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IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The fire-fighting team does not have identification such as colored arm-band. [HSE.6.1]
2. The factory has installed the back-up fire alarm system. However, it has no label. [HSE.6.1]
3. The fire alarm control panel is turned off in the morning of the first assessment day. The factory explained that the fire alarm system was damaged one week earlier by thunderstruck. Remark: the fire alarm system has repaired by subcontractor on the second assessment day. [HSE.6.1]
4. There are many sprinkler heads, at least five, that are obstructed by materials at the material warehouse. [HSE.6.1]
5. The fire pump system for automatic fire-fighting system (sprinkler system) and fire hydrant system is not in automatic mode at the time of assessment. [HSE.6.1]
6. The light in chemical warehouse is a normal light instead of anti-explosion light to prevent the fire risk. [HSE.6.1]
7. Unsafe electrical outlets were observed since the wirings are not fully covered. [HSE.13]

Local Law or Code Requirement

Law No. 27/2001/QH10, Art. 24 and FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6.1 and HSE.13)

Recommendations for Immediate Action

1. Provide the fire-fighting team with the identification.
2. Identify the back-up fire alarm system in the factory.
3. Ensure the fire alarm control panel be ready for operation at all times.
4. Ensure heads of sprinkler shall be free of obstructions at all time.
5. Turn the automatic fire pump in automatic mode at all times.
6. Equip anti-explosion light at the chemical warehouse.
7. Fully cover the electrical wiring to prevent any fire risk.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The fire-fighting team had provide identification such as colored arm-band. [HSE.6.1]
 - Compliance staff_ Mr Canh who will purchase and delivered to internal fireman team.
 - Canh will instruct the internal fireman team about how to keep and ex change the fireman cloth and color suits during the training
2. The factory has installed the back-up fire alarm system with label. [HSE.6.1]
 - Canh designed and pasted these name and instruction of back-up fire bell system
 - Canh instructed the internal fire-man team how to use the system as well as.
3. The fire alarm has been maintained and checked as regulation. [HSE.6.1]
 - The person in charge who had annually checking the system with the service company.
 - The person in charge who will track with the service company to come to check and maintain the fire system by quarterly and annually.
4. The PIC of factory had remind and double check the sprinkler curing obstructed by materials at the material warehouse. [HSE.6.1]
 - Compliance and internal fireman team who will check the sprinkler system at the material warehouse and relevant for reject any obstructed case
 - Compliance to combine with line leader or head of section to hold the training to employee and relevant about fire safety.
 - Compliance person in charge who will check the sprinkler system by daily and annually.
5. The PIC of factory had remind and weekly checking the fire pump system for automatic fire-fighting system (sprinkler system) and fire hydrant system is in automatic mode at the time of assessment. [HSE.6.1]
 - The factory assign Mr Nguyen and relevant fireman team to check the fire pump station by daily and weekly for the system turn automatic and fire safety/ curing the risk at any time.
 - Compliance person in charge who will check, remind and train the internal fireman team.

6. The mechanic checked light in chemical warehouse was the anti-explosion light to prevent the fire risk. [HSE.6.1]

- Mr Nguyen who help change the anti fire light at chemical warehouse
 - Compliance team who will check the chemical and relevant for curing these similarly case and ask mechanic change the anti fire light if having the case like this.
7. The mechanic changed the electrical outlets were observed since the wirings are not fully covered. [HSE.13]
- The factory assign person in charge_ Mr Nguyen to change the safety socket and electric wires with double layer covers
 - Compliance will check and continue to ask mechanic to change if having the similarly case like this after that report to management for fixing.

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FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The first aid kits are equipped at the workplaces. However, all of them just have 10 items instead of 27 items as law requirement. [HSE.18]
2. There is no mechanism to maintain the cooling temperature for storing the food samples equal to 4 degree Celsius or lower than 4 degree Celsius as applicable standard. [HSE.22.1]
3. It is noted that factory has signed a medical support contract with the local medical center. The contract states that the local medical center would arrange one doctor to directly support during working hours every 3 days per week at the factory, which is required by law. However, based on document review and factory confirmation, there is no doctor working at the factory as medical support per contract requirement. [HSE.18.2.1]

Local Law or Code Requirement

Circular No. 19/2016/TT-BYT on Guidelines for Occupational Health and Safety Management (2016), ANNEX 4 and FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.18, HSE.18.2.1 and HSE.22.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1.(A) The first aid kits had equipped at the workplaces to 10 box each box total 27 items as law requirement. [HSE.18]
 - GA and HR person in charge to provide the new first aid box and medical 27 point by law.
 - Nurse will check and provide these first aid medical by daily, tracing record weekly,
 - Compliance person in charge who will check by daily/ week for asking nurse and relevant person to be implemented that.
- 2.(A) The factory had kept mechanism to maintain the cooling temperature for storing the food samples equal to 4 degree Celsius or lower than 4 degree Celsius as applicable standard. [HSE.22.1]
 - GA_ Tuyen had checked and recorded the food storing with the temperature as regulation.
 - GA_Tuyen will instruct the canteen staff to delivery the food sample on time.
- 3.(A) The in-charge General Affair (GA) person had checked and reminded doctor working at the factory as medical support per contract requirement. [HSE.18.2.1]
 - GA_ Xuan who has the duties to check the doctor record at security book by weekly.
 - HR Phuong who will set the payment and tracking that by monthly

Planned completion date

09/06/18

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not conducted an ergonomic assessment and does not take proactive steps to reduce repetitive-motion stress or injuries. None of the seats provided for workers are ergonomically designed with a backrest and adjustable in height. [HSE.17]
2. At least 3 ironing workers do not use anti-fatigue mat while they are working at their working stations. [HSE.17]

Local Law or Code Requirement

Labor Law 2012, Art 149 and FLA Workplace Code (Health, Safety & Environment Benchmark HSE.17)

Recommendations for Immediate Action

1. Provide ergonomically designed chairs for workers to minimize bodily strains.
2. Provide anti-fatigue mat to all ironing workers and train workers on the importance of using correct PPE.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory has conducted an ergonomic assessment and does not take proactive steps to reduce repetitive-motion stress or injuries. None of the seats provided for workers are ergonomically designed with a backrest and adjustable in height. [HSE.17]
 - Top management and production where had been checking and purchasing the back bars for all sewing employee and relevant
 - Compliance has been checking about the process and consult the solution
2. The in-charge person and head of section has been checked and remained ironing workers to use anti-fatigue mat while they are working at their working stations. [HSE.17]
 - Production had worked with mechanic which provided these anti-fatigue mat to relevant employee as ironing, QC
 - Line leader and compliance who will check and remind employee to use the anti-fatigue mat during the working hour

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FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not provide hand-wash sink for workers who use sewing machine oil which is stored in the machine stock as required by Material Safety Data Sheet (MSDS). [HSE.10]
2. The facility does not have a breastfeeding room for female workers. [ND.8.1]
3. There is no loading capacity and height's limitations posted at the shelves which are located at the materials warehouse. [HSE.1]
4. The workplace risk assessment conducted in 2018 does not identify the deadline, responsible person to reduce or eliminate the risks. In addition, the factory does not conduct risk assessment after occurrence of occupational accidents as legally required. [HSE.1]
5. The factory does not follow the procedures regarding accident-handling happened in the factory. The records do not have testimony minute of victim and images of evidence. Besides, after receiving investigation report and meeting minutes, the factory does not post them on the board publicly for all employees. [HSE.1]
6. The factory uses one conveyor, one boiler and two air compressors. However, the factory does not send the notification for acknowledgement to Department of Labor - Invalids and Social Affairs in locality within 30 days before or after using the machine, equipment and materials as per local law. [HSE.1]

Local Law or Code Requirement

Circular No. 07/2016/TT-BLDTBXH, Art. 3 and Art. 5, Decree No. 44/2016/ND-CP, Art, 16; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.10) and FLA Workplace Code (Nondiscrimination Benchmark ND.8.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory provided hand-wash sink for workers who use sewing machine oil which is stored in the machine stock as required by

- Mechanic manager who had assigned the mechanics team to set up these hand wash at fixing room.

- Compliance checked the correctly areas for consulting before setting up as the deadline

2. The facility had already provided a breastfeeding room for female workers. [ND.8.1]

- HR and Production set up the breastfeeding room

- HR deploy the memo to all nursing employee to know about the breastfeeding room

- Compliance person in charge who check and consult about implementation the breastfeeding room

- Nurse and cleaner to check and keep hygiene the breastfeeding room by daily.

3. The factory had posted the loading capacity and height's limitations at the shelves which are located at the materials warehouse. [HSE.1]

- Compliance had checked the loading capacity and design the pane for visual the loading capacity and height's limitations posted at the shelves.

- Compliance and head of section who must check about loading capacity and height's limitations by daily and weekly

4. The factory had upgraded procedures for workplace risk assessment conducted in 2018 does not identify the deadline, responsible person to reduce or eliminate the risks and conducted to upgraded risk assessment after occurrence of occupational accidents as legally required. [HSE.1]

- Compliance person in charge had upgraded the deadline, responsible person to reduce or eliminate the risks.

- Compliance person in charge had checked carefully about relevant buyer standards before risk assessment as annually.

5. The factory had amended the procedures regarding accident-handling happened in the factory. The records had been conducted testimony minute of victim and images of evidence. Besides, after receiving investigation report and meeting minutes, the factory posted them on the board publicly for all employees. [HSE.1]

- The factory assigned nurse (clinic) who will make the record minutes and take the photos every labor accident case

- Compliance will check, remind and help nurse to implementation about that.

6. The factory had found recorded document which used one conveyor, one boiler and two air compressors. However, the factory had sent the notification for acknowledgement to Department of Labor - Invalids and Social Affairs in locality within 30 days before or after using the machine, equipment and materials as per local law. [HSE.1]

- Compliance person in charge who checked all profiles and sent to local department for registered the hazard machine list.

- Compliance person in charge who will record and update the list if there have any new hazard machine which be using in the factory

Planned completion date

09/06/18

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Same sex pat-downs are conducted every day by the security department when workers leave the factory. [H/A.10.2]

Local Law or Code Requirement

Labor Law 2012, Art 149 and FLA Workplace Code (Harassment or Abuse Benchmark H/A.10.2)

Recommendations for Immediate Action

1. Immediately cease conducting pat-downs for workers at the factory. Only conduct pat-downs and/or searches when there is evidence of theft and with permission from the relevant authorities.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory had deployed the memo to prohibit for sex pat-downs through top management, head of section [H/A.10.2] (HR)

- The person in charge deployed & delivered the memo to all relevant department

- Compliance combined with Human resource department hold the training and checking to security, line leader, supplier and

relevant employee about implementation prohibit for sex pat-downs. Conduct sex pat-down when there is evidence of theft and with permission of local authority

Planned completion date
09/06/18

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory has an Environmental Protection policy and some procedures, but lacks some elements requested by the FLA: It does not have a commitment to conservation, a review of targets to reduce environmental impacts, a plan to course-correct in case of missed targets, and a statement of the factory management's general support of energy and water efficiency, and a commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory had been upgraded an Environmental Protection policy and some procedures with relevant issue as recommended:

- The factory will assign person in charge to review the policy and procedure with the new buyer standards for upgrade that by annually
- The Compliance department where will conduct the training/ tracking policy and procedure to relevant employee as buyer recommend.

Planned completion date
09/06/17