



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Fast Retailing Co., Ltd.

COUNTRY: Vietnam

ASSESSMENT DATE: 08/15/18

ASSESSOR: One Step Vietnam

PRODUCTS: Apparel

NUMBER OF WORKERS:

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

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The attendance and detail payroll records of Canteen service and Security service were not available for review during the time of assessment. Therefore, the compliance status of wage and benefit and working hours could not be verified during the time of assessment. [ER.23.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.23.2)

Recommendations for Immediate Action

1. The attendance and detailed payroll records of all Canteen service and Security service must be maintained and available for review to fully assess the minimum wage and benefits.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.

Planned completion date

10/17/17

Company Action Plan Update

1. Per reviewing record from July 2018 until April 2019, the attendance and detail payroll records of Canteen service and Security service are available for reviewing. The wage and benefit and working hours are complied with local law. Compliance team will check and require canteen service and security service update payroll records and attendance records in monthly basic and review carefully to ensure comply with local law on wage and benefit and working hour from Sept 2018.

Action Plan no 2.

Description

Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.

Planned completion date

10/17/17

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory set the production plan at such a level that workers need to work beyond regular working hours (60 hours per week, including 12 overtime hours). These hours are against FLA benchmarks. [ER.24]
2. Although it has not been implemented in the last twelve months, current disciplinary procedures include a wage raise suspension of up to 6 months as a means to discipline. Notes: this practice is in line with local law but is against FLA benchmarks. [ER.27.1]
3. The factory and union has signed a Collective Bargaining Agreement (CBA). While the factory meets the legal requirement in informing employees about the CBA, including posting on bulletin boards, worker briefings, and responding to any worker question, workers do not receive a copy of the CBA. [ER.16.2]
4. The factory has not provided specific training on FLA Code for all supervisors (local and foreign) to ensure that they understand and comply with all requirements. [ER.17.1]
5. There are 14 Emergency Response plans: 1. Emergency Fire Response plans; 2. Food poison Emergency response plan; 3. Stolen Emergency response plan; 4. Robbery Emergency response plan; 5. Emergency response plan for internal conflict; 6. Emergency response plan for typhoons; 7. Electrical Shock; 8. Emergency response plan for Bomb Threat; 9. Emergency response plan for infectious Diseases; 10. Emergency response plan for earthquake; 11. Emergency response plan for Storm & Heavy Rain; 12. Emergency response plan for emergency accident arising; 13. Emergency response plan for chemical; 14. Emergency response plan for wastewater treatment. However, the factory has only planned and practiced for the Emergency Fire Response plans & Emergency response plan for chemicals. [ER.31, HSE.3]
6. The Code of Conduct for the FLA affiliate was not available for workers reference. [ER.2]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.16.2, ER.17.1, ER.24, ER.27.1, ER.31; Health, Safety & Environment Benchmarks, HSE.3)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory production planning Control Department (PPC Dept) will exclude overtime while planing production.
2. Human resource Department who in charge of revision Internal Rule and Regulation (IRR) will revise the IRR to ensure this disciplinary will be removed and IRR will be applied accordingly.
3. Factory will provide a copy of CBA to worker.
4. Human resource Department will arrange FLA Code for all supervisors (local and foreign) to ensure that they understand and comply with all requirements. 5. Per on actual emergency incident factory will plan to do each kind of drill from next year.
6. Currently factory has posted FLA Code of conduct at our Code of Conduct corner only, then factory will post more copy at the bulletin board for easy reference.

Planned completion date

10/17/18

Company Action Plan Update

1. Per document reviewing, factory already set the production plan at based on regular working hours not included OT hour. HR team with work closely with production team to set up production plan is only normal working hour not included OT hours from Sept 2018.
2. Per document reviewing, factor already update the company regulation not included the disciplinary practice as wage raise suspension of up to 6 months. HR team will check and update company regulation regularly to ensure comply with FLA requirement from Sept 2018.
3. Per document reviewing and worker's interview, workers already receive a copy of the CBA. HR will check and update CBA periodically and give 1 copy of CBA to all employees from Sept 2018.
4. Per document reviewing, factory already provided specific training on FLA Code for all supervisors (local and foreign) to ensure that they understand and comply with all requirements. Compliance team will check and update the training plan for all supervisor on FLA COC regularly to ensure compliance with FLA requirement from Sept 2018.
5. Per document reviewing, factory already revised and updated emergency action plan (EAP) in the factory as Emergency Fire Response plans, Emergency response plan (ERP) for chemical and Food poison Emergency response plan and provided training on Emergency Fire Response plans, Emergency response plan for chemical and Food poison Emergency response plan as well. Compliance team will check and update emergency action plan periodically and conduct Emergency response plan annually to ensure comply with HSE requirement from Sept 2018.
6. Per factory walk through, factory already posted the The Code of Conduct for the FLA affiliate and it is available for worker's reference. Compliance team will check and update the FLA CoC regularly to ensure FLA CoC is available for employee's reference from Sept 2018.

Action Plan no 2.

Description

- "1. Factory production planning Control Department (PPC Dept) will excluding overtime while planing production.
2. Humance resource Department who in charge of revision Internal Rule and Regulation (IRR) will revise the IRR to ensure this disciplinary will be removed and IRR will be apply accordingly.
3. Factory will provide a copy of CBA to worker.
4. Human resource Department will arrange FLA Code for all supervisors (local and foreign) to ensure that they understand and comply with all requirements.
5. Per on actual emergency incident factory will plan to do each kind of drill from next year.
6. Currently factory has posted FR Code of conduct at our Code of Conduct corner only, then we will post more copy at our bulletin board for easy reference."

Planned completion date

10/17/18

Action Plan no 3.

Description

- "1. Factory production planning Control Department (PPC Dept) will excluding overtime while planing production.
2. Humance resource Department who in charge of revision Internal Rule and Regulation (IRR) will revise the IRR to ensure this

- disciplinary will be removed and IRR will be apply accordingly.
3. Factory will provide a copy of CBA to worker.
 4. Human resource Department will arrange FLA Code for all supervisors (local and foreign) to ensure that they understand and comply with all requirements.
 5. Per on actual emergency incident factory will plan to do each kind of drill from next year.
 6. Currently factory has posted FR Code of conduct at our Code of Conduct corner only, then we will post more copy at our bulletin board for easy reference."

Planned completion date

10/17/18

Action Plan no 4.

Description

"1. Factory production planning Control Department (PPC Dept) will excluding overtime while planing production. 2. Humance resource Department who in charge of revision Internal Rule and Regulation (IRR) will revise the IRR to ensure this disciplinary will be removed and IRR will be apply accordingly. 3. Factory will provide a copy of CBA to worker. 4. Human resource Department will arrange FLA Code for all supervisors (local and foreign) to ensure that they understand and comply with all requirements. 5. Per on actual emergency incident factory will plan to do each kind of drill from next year. 6. Currently factory has posted FR Code of conduct at our Code of Conduct corner only, then we will post more copy at our bulletin board for easy reference."

Planned completion date

10/17/18

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. Emergency response plan for chemicals has not been updated: 1) The procedures state an emergency response team, however, there was no emergency response team in the factory; 2) The meeting records for the Emergency Response plans practice for fire and chemical spillage on Oct 7, 2017 were not available for review. [ER.31]
2. The factory changed the human resources system in July 2018 for wage, benefit and annual leave calculation method, however, the factory has not updated the new calculation method regarding annual leave calculation into the existing Wage and Benefit policies and procedure. [ER.1.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.31)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will update emergency response plan for chemicals. And meeting record will be kept after drill.
2. Factory will update wage and benefit policies and procedure.

Planned completion date

10/17/17

Company Action Plan Update

1. Per document reviewing, emergency response plan for chemicals was updated: emergency response team in the factory and meeting records for the Emergency Response plans practice for fire and chemical spillage. Compliance team will check and update emergency response plan periodically to ensure Emergency Response plans practice for fire and chemical spillage are conducted and complied with FLA requirement from Sept 2018.

2. Per document reviewing, factory already updated the new calculation method regarding annual leave calculation into the existing Wage and Benefit policies and procedure. HR team and compliance team will check the requirement on wage and benefit periodically to ensure comply with local law and FLA requirement from Sept 2018.

Action Plan no 2.

Description

"1. Factory will update emergency response plan for chemicals. And meeting record will be kept after drill.
2. We will update wage and benefit policies and procedure "

Planned completion date

10/17/17

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory has grievance procedures, however, the procedures are missing the handling procedure for the three hotlines that are channels for raising the complaints as well as no procedures on tracking these hotlines on a regular basis. [ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will update grievance procedure to ensure issues was raise by hotline was kept record and follow up. Hotline will be tracking and record on weekly basic.

Planned completion date

10/17/17

Company Action Plan Update

1. Per document reviewing, factory already revised and update the grievance procedures included handling procedure for the three hotlines that are channels for raising the complaints and procedures on tracking these hotlines on a regular basis. Compliance team will check and update regularly to ensure grievance procedures included handling procedure for the three hotlines that are channels for raising the complaints and procedures on tracking these hotlines on a regular basis from Sept 2018.

Action Plan no 2.

Description

1. Factory will update grievance procedure to ensure issues was raise by hotline was kept record and follow up. Hotline will be tracking and record on weekly basic.

Planned completion date

10/17/17

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The attendance and detail payroll records of Canteen service and Security service were not available for review during the time of assessment. Therefore, the compliance status of wage and benefit and working hours could not be verified during the time of assessment. [C.1]

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmarks C.1)

Recommendations for Immediate Action

1. The attendance and detail payroll records of all Canteen service and Security service must be maintained and available for review to fully assess the minimum wage and benefits.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.

Planned completion date

10/17/17

Company Action Plan Update

1. Per reviewing record from July 2018 until April 2019, the attendance and detail payroll records of Canteen service and Security service are available for reviewing. The wage and benefit and working hours are complied with local law. Compliance team will check and require canteen service and security service update payroll records and attendance records in monthly basic and review carefully to ensure comply with local law on wage and benefit and working hour from Sept 2018.

Action Plan no 2.

Description

Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.

Planned completion date

10/17/17

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The attendance and detailed payroll records of Canteen service and Security service were not available for review during the time of the assessment. Therefore, the compliance status of wage and benefit and working hours could not be verified during the time of assessment. [HOW.1]

2. The time records from August 2017 to July 2018 noted that 20% of the workforce worked consecutively for 13 working days (including Sunday) in May and June 2018. However, these persons did not receive compensation days-off as required by law and FLA Benchmarks. [HOW.2]
3. The time records from August 2017 to July 2018 noted that 60% of the workforce had averaged 30.5 overtime working hours with a maximum of 70 hours per month from January to July 2018. This exceeded the legal requirement on overtime which only permits 30 hours of overtime per month. To note: factory's peak season is from April to July. [HOW.1]
4. The time records from August 2017 to July 2018 noted that 50% of the workforce had averaged 60.5 overtime working hours with a maximum of 65 hours per week from May to July 2018. This exceeds the FLA Benchmarks on overtime which only permits 60 hours per week (including regular work hours plus overtime). [HOW.1.3]

Local Law or Code Requirement

Article 16, 109 & 110 of Vietnam Labor Law 2012; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.1.3, HOW.2)

Recommendations for Immediate Action

1. The attendance and detailed payroll records of all Canteen service and Security service must be maintained and available for review to fully assess the minimum wage and benefits.
2. Employers shall allow workers 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.
3. The monthly and yearly overtime hours shall be kept within 30 hours as legally required.
4. The weekly hours (including regular work hours plus overtime) shall be kept within 60 hours as FLA Benchmarks requirement.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.
2. Factory production planning Control Department (PPC Dept) will plan loading for each department to ensure working hour and overtime hour are followed requirement. HR team will work closely with production department to set up production plan to ensure employees is compensated 1 days off within 7 days from May 2019.
3. Factory production planning Control Department (PPC Dept) will plan loading for each department to ensure working hour and overtime hour are followed requirement.
4. Factory production planning Control Department (PPC Dept) will plan loading for each department to ensure working hour and overtime hour are followed requirement.

Planned completion date

10/17/17

Company Action Plan Update

1. Per reviewing record from July 2018 until April 2019, the attendance and detail payroll records of Canteen service and Security service are available for reviewing. The wage and benefit and working hours are complied with local law. Compliance team will check and require canteen service and security service update payroll records and attendance records in monthly basic and review carefully to ensure comply with local law on wage and benefit and working hour from Sept 2018. (Completed)
2. Per reviewing records from July 2018 until 6 June 2019, 13 out of 15 selected production employees worked on 10-12 consecutive days in April 2019 but factory has not arrange compensation day off as law requirement. (In progress)
3. Per reviewing records from July 2018 until 6 June 2019, 12 out of 15 selected production employees worked more the 30 hours per months. FR will continue to monitor. (In progress)
4. Per reviewing records from July 2018 until 6 June 2019, 12 out of 15 selected production employees worked more the 60 hours

per week in April and May 2019. Factory already submitted working extension report to FR (from 15 April - 28 April 2019 and 06 May to 30 June 2019). (In progress)

Update on 11-Oct-2019:

2. Factory has corrected issues. Factory has not arranged any Sunday work for employee from May. 2019. (Completed)

4. Factory has corrected this issues. Currently all employees work maximum 60h per week (regular working hour and overtime hour per week). (Completed)

Action Plan no 2.

Description

"1. Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.
2. Factory production planning Control Department (PPC Dept) will plan loading for each department to ensure working hour and overtime hour are followed requirement"

Planned completion date

10/17/17

Action Plan no 3.

Description

"1. Factory will work with canteen and security supplier to do the internal audit on their compensation and benefit as well as working hour to monitor their compliance status.
2. Factory production planning Control Department (PPC Dept) will plan loading for each department to ensure working hour and overtime hour are followed requirement"

Planned completion date

10/17/17

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has an incomplete occupational accidents handling procedure in place. It does not state the terms and conditions in regards to expenses of occupational accident investigation, traffic accident investigation related to labor, or classification of occupational accidents. Moreover, the dossier of occupational accidents does not have records of scene examination (if any), photos of scene and victim, record of testimony of the victim, the person who knows the facts or person concerned, minutes of meeting to announce the record of occupational accident investigation, etc. [HSE.1]
2. The factory has not established an occupational accident investigation team to clearly state the duties of the members of occupational accident investigation team in case of labor accidents. [HSE.1]
3. The factory conducted a risk assessment for HSE and fire on May 2018. However, the lab room was not covered in this assessment to identify hazards. [HSE.1]

Local Law or Code Requirement

Circular No. 07/2016/TT-BLDTBXH, Art. 3 and Art. 5, Labor Code 2012, Art. 138 and FLA Workplace Code (Health, Safety & Environment Benchmarks, HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory will update procedure to follow the regulation.
2. Factory will establish occupational investigation team if any case of accident happen.
3. Factory will review risk assessment and add Lab room in their assessment.

Planned completion date

10/17/17

Company Action Plan Update

1. Per document reviewing, factory already updated occupational accidents handling procedure in place included the terms and conditions in regards to expenses of occupational accident investigation, traffic accident investigation related to labor, or classification of occupational accidents. The dossier of occupational accidents was recorded scene examination (if any), photos of scene and victim, record of testimony of the victim, the person who knows the facts or person concerned, minutes of meeting to announce the record of occupational accident investigation. Compliance team will check and update regularly on occupational accidents handling procedure to ensure comply with HSE requirement on occupational accidents investigation from Sept 2019.
2. Per document reviewing, factory already established an occupational accident investigation team to clearly state the duties of the members of occupational accident investigation team in case of labor accidents. Compliance team will check and update occupational accident investigation periodically to ensure comply with HSE requirement from Sept 2018.
3. Per document reviewing, factory already conducted the a risk assessment for HSE and fire for Lab room to identify hazards. Compliance team will check and update risk assessment periodically to ensure all sections in factory are evaluated risk on HSE and fire from Sept 2018.

Action Plan no 2.

Description

- "1. Factory will update procedure to follow the regulation.
2. Factory will establish occupational investigation team if any case of accident happen
3. We will review risk assessment and add Lab room in our assessment"

Planned completion date

10/17/17

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no procedure or mechanism to keep the temperature for storing the medicines at the clinic room below 30 degree Celsius as per applicable standards of the medication. [HSE.18.3]

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Maintenance staff will fix the thermo meter immediately. Daily checklist for the meter will be created to monitor thermo meter working properly .

Planned completion date

10/17/17

Company Action Plan Update

1. Per document reviewing, factory already set up procedure or mechanism to keep the temperature for storing the medicines at the clinic room below 30 degree Celsius as per applicable standards of the medication. Compliance team and clinic staff will check daily and follow the procedure or mechanism to keep the temperature for storing the medicines at the clinic room to ensure good condition for medicine storage from Sept 2018.

Action Plan no 2.

Description

"Maintenance staff has fixed the thermo metter immediately.
Daily checklist for the metter was created to monitor thermo meter working properly ."

Planned completion date

10/17/17

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. According to Decree 60/2013/ND-CP, The minimum quantity of elected representatives is stipulated as follows: a) For enterprise employing 1000 laborers, electing at least 100 representatives and; b) For enterprise employing between 1001 and under 5000 laborers, apart from number of representatives which must elect initially at point c clause 1 of this Article, for every 1000 laborers, it must elect at least 20 representatives. It was noted that the factory conducted the Labor Conference in March 2018 with 58 representatives to participate. However, the total workforce of the factory was approximately 3,000 persons in March 2018. [FOA.1]
2. FLA Comment: Vietnam has not ratified ILO Conventions 87 or 98. Under Vietnamese law, all unions are required to affiliate with the single trade union, the Vietnam General Confederation of Labor (VGCL), which is affiliated with the Communist Party. With respect to such union monopolies, the ILO Committee on Freedom of Association has stated that "the rights of workers to establish organizations of their own choosing implies . . . the effective possibility of forming . . . [trade unions] independent both of those which exist already and of any political party." Vietnam's legal framework is therefore not compatible with the ILO Principles on Freedom of Association and, as such, all factories in Vietnam fail to comply with the FLA Code standard on Freedom of Association. [FOA.2]

Local Law or Code Requirement

Article 17 of Decree 60/2013/ND-CP; FLA Workplace Code (Freedom of Association Benchmarks FOA.1, FOA.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Factory has well noted issues and will ensure number of representative are fully meet requirement.

Planned completion date

10/17/17

Company Action Plan Update

1. Per document reviewing, factory already conducted the Labor Conference the representatives to participate as law requirement.

Action Plan no 2.

Description

Factory has well noted issues and will ensure number of representative are fully meet requirement

Planned completion date

10/17/17

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no secondary containment and labels for three chemical cans in the following areas: the lab room, the machines storage, the small chemical storage on the 3rd floor in Workshop 2. [HSE.9.1]
2. There are no MSDS (Shell sol & EB Solvent) posted in the bonding room for workers' reference. [HSE.10]
- 3) One eye wash station in the chemical storage had low water pressure. [HSE.6]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.9 and HSE.10)

Recommendations for Immediate Action

1. Ensure MSDS, label and secondary containment is available for all chemical containers
2. Ensure the eye wash station is in good condition and ensure regular checks

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Compliance team will retrain to person in charge of each area to ensure all chemical cans has labels and secondary containment. Beside that compliance team will conduct daily factory tour to follow up.

2. Factory will post MSDS for requested chemical and compliance team will conduct daily tour to ensure MSDS always available and easy access at working area.

3. Factory will install booster pump for eye wash machine to increase water pressure as standard. Beside that factory will have weekly checklist to ensure machine is in good condition.

Planned completion date

10/17/17

Company Action Plan Update

1. Per factory walk through, factory already equipped secondary containment and labels for three chemical cans in the following areas: the lab room, the machines storage, the small chemical storage on the 3rd floor in Workshop 2.

2. Per factory walk through, factory already provided MSDS for chemical (Shell sol & EB Solvent) and posted in the bonding room for workers' reference.

3. Per factory walk through, the wash station in the chemical storage has appropriate water pressure. Compliance team will check daily and remind the person in-charge at chemical storage area checks eye wash station daily to ensure it is available for emergency case from Sept 2018.

Action Plan no 2.

Description

"1. Compliance team has retrained to person in charge of each area to ensure all chemical cans has labels and secondary containment. Beside that compliance team has conducted daily factory tour to follow up.

2. We have posted MSDS for requested chemical and compliance team has conducted daily tour to ensure MSDS always available and easy access at working area.

3. We have installed booster pump for eye wash machine to increase water pressure as standard. Beside that we have weekly checklist to ensure machine is in good condition.

"

Planned completion date

10/17/17

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Two emergency lights and exit signs did not work when they were tested in the machine storage area. [HSE.5]

2. Six fire extinguishers are not checked on a monthly basis in the machine storage area. It was last checked on March 3, 2018. [HSE.6.1]

3. One fire alarm in the canteen was obstructed by a table. Additionally, one evacuation map was obstructed by a working table on the 3rd floor, in Workshop 2. [HSE.5]

4) There is no automatic fire extinguisher installed in the recycle waste area and small chemical storage on the 3rd floor in Workshop 2. [HSE.5]

5) One exit route in the parking area had stagnant water. [HSE.5]

6) The yellow line and escape arrow for five exit routes in sewing line Workshop 1 were faded. [HSE.5]

Local Law or Code Requirement

Decree No.79/2014/ ND-CP, Article 7; TCVN 3890-2009, point 5.2.1; TCVN2622:1995, Point 7.5 and FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5, HSE.6.1)

Recommendations for Immediate Action

1. Check the emergency light and exit signs for all emergency exit doors
2. Mark and inspect all fire extinguishers on a monthly basis
3. Ensure fire equipment (fire alarm; evacuation map) be free of obstructions at all times
4. Equip the recycle wastes & small chemical storage area on the 3rd floor in Workshop 2 with an automatic fire extinguisher
5. Ensure exit routes are non-slippery
6. Ensure all exit routes at the workplaces are free and clearly marked with lines and directional signs leading to the exit door

COMPANY ACTION PLANS

Action Plan no 1.

Description

- 1 and 2. Factory will retrained to maintenance team who in charge of checking fire safety equipment to complete the job properly. Checklist for fire safety equipment maintenance was made and record at maintenance room. Compliance team will conduct crosscheck to ensure fire safety equipment was checked regularly by maintenance.
3. Factory will arrange table in the canteen to ensure fire alarm was not obstructed. And compliance team will remind canteen staff to ensure all fire safety equipment was not obstructed. Compliance team will conduct daily factory tour to ensure no any obstructs fire safety equipment.
4. Factory will set up automatic fire extinguisher at the required area. All automatic fire extinguisher will be checked regularly.
5. Factory will work with admin to clean the area to ensure no stagnant water. Compliance team and security guard will check daily and remind cleaner keeps clean for parking area and no stagnant water from Sept 2018.
6. Maintenance team will repaint this area. Compliance team will follow up closely painting schedule to ensure no any faded line.

Planned completion date

10/17/17

Company Action Plan Update

1. Per factory walk through, two emergency lights and exit signs in the machine storage area are workable during testing.
2. Per factory walk through, six fire extinguishers in the machine storage area are checked on a monthly basis.
3. Per factory walk through, fire alarm in the canteen was not was obstructed by a table and evacuation map in the 3rd floor, in Workshop 2 was not obstructed by a working table. Compliance team will check daily and remind workers don't put table, material block evacuation map from Sept 2018.
4. Per factory walk through, automatic fire extinguishers are installed in the recycle waste area and small chemical storage on the 3rd floor in Workshop 2.
5. Per factory walk through, exit route in the parking area is clean and no stagnant water.
6. Per factory walk through, yellow line and escape arrow for exit routes in sewing line Workshop 1 are marked and visible. Compliance team will check daily and remind production supervisor have to check and inform compliance team to post the yellow line and escape arrow if they are faded from Sept 2018.

Action Plan no 2.

Description

- "1. The issues was corrected right after comment from auditor. Then we have retrained to maintaine team who in charge of checking fire safety equipment to complete his job properly. Checklist for fire safety equipment maintainance was made and record at maintainance room. Compliance team will conduct crosscheck to ensure fire safety equipment was checked regularly by maintainance.
2. The issues was corrected right after comment from auditor. Then we have retrained to maintaine team who in charge of checking fire safety equipment to complete his job properly. Checklist for fire safety equipment maintainance was made and record at maintainance room. Compliance team will conduct crosscheck to ensure fire safety equipment was checked regularly by maintainance.
3. We have arranged table in the canteen to ensure fire alarm was not obstructed. And compliance team has remind canteen staff there to ensure all fire safety equipment was not obstructed. Compliance team will conduct daily factory tour to ensure no any obstructs fire safety equipment.
4. We have set up automatic fire extinguisher at the required area. All automatic fire extinguisher was checked regularly.
5. We have work with admin to clean the area to ensure no stagnant water.
6. Maintainance team has repaint this area. Compliance team will follow up closely painting schedule to ensure no any faded line."

Planned completion date

10/17/17

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Six canteen staff did not wear boots while working in an area with a wet floor [HSE.1, HSE.8]

Local Law or Code Requirement

Labor Code 2012, Art. 138; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.8)

Recommendations for Immediate Action

1. The factory to instruct workers on the correct and proper use of personal protective equipment (PPE).

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Admin staff who monitor canteen will remind canteen staff to wear boot while working.

Planned completion date

10/17/17

Company Action Plan Update

1. Per factory walk-through, canteen staffs worn boots while working in an area with a wet floor. Compliance team will check daily and remind canteen staffs have to wear boots while working in wet area from Sept 2018.

Action Plan no 2.

Description

"Admin staff who monitor canteen has reminded canteen staff to wear boot while working. She has to ensure worker are wearing fully PPE while working
Issues has been closed "

Planned completion date

10/17/17

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Ten percent (10%) of all sewing workers did not have the plexi-glass in the safety position. [HSE.1, HSE.14]
2. The two ventilation fans in the canteen are not covered and do not have covers. [HSE.1, HSE.14]

Local Law or Code Requirement

Labor Code 2012, Art. 138 and FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.14)

Recommendations for Immediate Action

1. Ensure all sewing workers use plexi-glass while working.
2. Ensure machinery, equipment and tools shall be properly guarded and regularly maintained.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Compliance team will conduct re-training to all sewing worker to ensure they are understood safety function of plexi-glass. And compliance team will conduct daily tour to ensure worker follow the regulation.

2. Ventilation fan will be covered.

Planned completion date

10/17/17

Company Action Plan Update

1. Per factory walk through, all sewing workers used the plexi-glass in the safety position. Compliance team and line leader will check daily and remind workers use plexi -glass at safety position to protect their eyes from Sept 2018.

2. Per factory walk through, two ventilation fans in the canteen are installed cover.

Action Plan no 2.

Description

"1. Compliance team will conduct re-training to all sewing worker to ensure they are understood safety function of plexi-glass. And compliance team will conduct daily tour to ensure worker follow the regulation
2. Issues has been closed. Ventilation fan has cover"

Planned completion date

10/17/17

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Hazardous waste (used fluorescent lights) is not stored in the designated area. Waste is stored at the sewing line on the 3rd floor, in Workshop 2 [HSE.1, HSE.5]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5)

Recommendations for Immediate Action

1. Ensure hazardous waste is stored in designated areas, as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Facility staff has removed those hazardous waste to hazardous store.

Compliance has retrained to facility staff to ensure all the hazardous waste was move to store once they completed their task.

Planned completion date

10/17/17

Company Action Plan Update

1. Per factory walk through, hazardous waste (used fluorescent lights) is stored in the designated area as hazardous waste storage warehouse and not kept at the sewing line on the 3rd floor, in Workshop 2. Compliance team will check daily and remind maintenance staffs have to remove used fluorescent lights to hazardous waste warehouse and not allowed but at production area from Sept 2018.

Action Plan no 2.

Description

"

Facility staff has removed those hazardous waste to hazardous store.

Compliance has retrained to facility staff to ensure all the hazardous waste was move to store once they completed their task.

Issues has been closed "

Planned completion date

10/17/17