



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Acushnet Company

COUNTRY: Vietnam

ASSESSMENT DATE: 10/26/17

ASSESSOR: One Step Vietnam

PRODUCTS: Apparel

NUMBER OF WORKERS: 100

FLA Comments

Beginning with assessments conducted in 2017, the Fair Labor Association no longer reviews remediation plans submitted by company affiliates. The remediation plans in this report are reflected in their original form, as submitted by the company affiliate to the FLA. Each year, selected factories receive verification assessments to review remediation progress. These reports appear on the Fair Labor Association website and include the findings from the original report, the company remediation plan, and a link to the original report.

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

The content of the employment contract is not in compliance with the legal requirements. For example, the employment contract lacks the following information: passport number of employer, employees' annual leave, social insurance by employer, how wages are calculated for factory employees (monthly or piece rate), allowances, etc. ER.11

Local Law or Code Requirement

Article 4 of Decree 05/2015/ND-CP; FLA Workplace Code (Employment Relationship Benchmarks ER.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory already revised the content of the employment contract to ensure that it complies with the legal requirement.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have written policies for the following employment functions: promotion, demotion & job reassignment, retrenchment, and industrial relations. ER.30, ER.25, ER.32

2. The following policies and procedures are not well-established.

a). For the Workplace Conduct & Discipline, the Grievance System is very simply developed. The factory does not clearly mention the steps on how to handle the grievance and disciplinary. For example, the procedure does not mention that workers can use witnesses as

needed, that a direct settlement between the worker and the immediate supervisor was allowed, or the timeline for handling complaint letters from workers. ER.27, ER.32

b). The factory's Termination procedures do not properly define the steps for different cases of Termination. ER.27

c). The factory has developed a Wage & Benefit policy but it is not used in practice. For instance, the calculation of unused annual leave (factory paid the unused annual leave payment with amount at 400% of daily salary meanwhile factory only paid 300% in practice and this is in line with law requirement.). On the other hand, the factory does provide some allowances, such as: hard working, productivity, piece bonus, etc. However, these allowances and bonuses are not clearly regulated in any policy or procedure. ER.1

d). The Health & Safety procedure lacks measures to protect the reproductive health of workers through minimizing exposure to workplace hazards. It also lacks steps for reporting death, injury, illness, and other health and safety issues. HSE.12, ND.8, ER.31

3. Company regulation states that employees shall follow the guidance of the company's doctor in Health & Safety related emergencies. However, the factory does not have a doctor, it only has one nurse. ER.31.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.24, ER.25, ER.27, ER.30, ER.31, ER.31.2, and ER.32; Non-discrimination Benchmark ND.8; Health, Safety, & Environment Benchmark HSE.12)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory already set up written policies for the following employment functions: promotion, demotion & job reassignment, retrenchment, and industrial relations.
2. The following policies and procedures were well-established:
 - a) For the Workplace Conduct & Discipline, the Grievance System was developed and clearly mentioned the steps on how to handle the grievance and disciplinary as required.
 - b) The factory's Termination procedures already defined the steps for different cases of Termination.
 - c) The Wage & Benefit policy was revised by adding the sufficient allowances used in practice.
 - d) The Health & Safety procedure already added the measures to protect the reproductive health of workers through minimizing exposure to workplace hazards; and steps for reporting death, injury, illness, and other health and safety issues as required.
3. Company regulation was revised that employees shall follow the guidance of the company's nurse in Health & Safety related emergencies.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory does not conduct a periodic review and update of policies and procedures for the following employment functions: Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, Health & Safety, and Environmental Protection. ER.1.3, ER.29, ER.30, ER.31.1

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29, ER.30 and ER.31.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory already conducted a periodic review and update of policies and procedures for the following employment functions: Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, Health & Safety, and Environmental Protection.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The factory does not properly or effectively communicate policies and procedures and their updates to the general workforce across the following Employment Functions: Compensation, Hours of Work, Termination, Industrial Relations, Workplace Conduct & Discipline, Grievance, and HSE. C.17, C.19, ER.1, ER.16, ER.25, ER.27, ER.32, HSE.2

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.27, and ER.32; Health, Safety & Environment Benchmarks HSE.2; Compensation Benchmarks C.17, and C.19)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory already communicated and updated policies and procedures to the general workforce across the following Employment Functions: Compensation, Hours of Work, Termination, Industrial Relations, Workplace Conduct & Discipline, Grievance, and HSE.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

Immediate Action Required

Finding Explanation

1. The attendance and detailed payroll records of the canteen staff were not available for review. Therefore, the compliance status of wage & benefits and working hours could not be verified. Furthermore, the attendance records of the security guards were not available for review. ER.23.2
2. The factory applies basic salary instead of using basic salary + seniority allowance to: 1) contribute to mandatory insurance; 2) calculate unused annual leave; and 3) calculate severance payments. C.1
3. The factory applies a full basic salary base of 26 working days/month for all employees for every month of the year. For instance, workers who worked in February (24 actual working days) would be calculated: $\text{basic salary}/26 \times 24$. However, the factory did not pay the sufficient basic salary for all employees in August. The month had 27 actual working days so the correct calculation should be $\text{basic salary}/26 \times 27$. Instead, the factory calculated the salary as $\text{basic salary}/26 \times 26$. C.2
4. Five security guards do not receive the sufficient legal minimum wage. Based on their labor contracts, the minimum wage is VND 3,293,000 (USD 145.22) which is lower than the legal minimum wage (VND 4,012,500 (USD 176.95) – including 7% skill allowance). Additionally, four of these Security Guards were paid only VND 7,000 (USD 0.3)/night shift/day/person instead of 30% of their daily salary. C.2
5. Vietnamese law requires that the OT rate per hour is based on the monthly basic salary divided by the actual working hours in a month (but not more than 26 days' work month). The factory calculates overtime payments based on the basic salary divided by 208 hours (26 working days) instead of the actual working hours in a given month. Feb 2017 (192 hours) & in April (200 hours). C.7.2
6. The factory confirmed that four canteen staff and three security guards who signed fixed term labor contracts were not given mandatory insurance as required by law. C.10.1
7. Four security guards work 12 hours per day. However, they do not receive the legally required four hours OT payment/day. C.7.1; C.7.2

8. The factory conducted fire skills training for 30 members of fire brigade team on August 5 and August 7, 2017. However, the factory does not provide a support of half a day's basic salary per training day for each member. The factory only paid the team leader around VND 100,000 (USD 4.41) and the team members around VND 50,000 (USD 2.2) instead of at least VND 158,654 (USD 6.99) for the two training days. C.1

9. The factory does not provide a monthly allowance (VND 390,000/month (USD 17.12) for one team leader and one vice leader of the fire-fighting team. C.1

10. Four workers in the sample room worked on Sunday, 10th September 2017. However, the factory did not provide these workers a compensated day-off, per FLA Benchmarks. HOW.2, C.15, C.16

11. The factory does not communicate the menstruation break policy to female workers. Almost all female workers did not know that they have a 30 minute break per day for at least three days per month during their menstruation period. Worker and management interviews confirmed this finding. HOW.3

12. The annual leave for 54 workers with less than 12 months of service is not rounded up if the decimal is equal or greater to 0.5. For instance, if Worker A joined the company in 1st March 2016 with an annual leave calculation of $14/12 \times 10$ (actual working months in 2016) = 11.7. However, the factory does not round up that result to 12 annual leave days. ER.22, HOW.11, HOW.14

13. The annual leave of 24 senior workers who have more than five years of service has not been increased by the legally required one day per five years of service. ER.22, HOW.11, HOW.14

Local Law or Code Requirement

Article 4, Circular 47/2015/TT-BLDTBXH; Article 26, Decree 05/2015/ND-CP; Article 89, No. 58/2014/QH13 on Social Insurance Law; Article 4, Circular 23/2015/TT-BLDTBXH; Decree 49/2013/ND-CP; Article 97, Vietnam Labor Law 2012; Article 14, Circular 47/2015/TT-BLDTBXH; Article 2, No. 58/2014/QH13 on Social Insurance Law; Article 97, Article 106, Vietnam Labor Law 2012; Article 35, Decree 79/2014/ND-CP; Article 7, Decree 45/2015/ND-CP; Article 112 & Article 155, Vietnam Labor Law 2012;

FLA Workplace Code (Employment Relationship Benchmarks ER.22 and ER.23.2; Compensation Benchmarks C.1, C.2, C.7.1, C.7.2, C.10.1, C.15, and C.16; Hours of Work Benchmarks HOW.2, HOW.3, HOW.11, and HOW.14)

Recommendations for Immediate Action

1. The attendance and detailed payroll records of all canteen staff and security guards must be maintained and available for review to fully assess the minimum wages & benefits.

2. Factory shall apply basic salary + seniority allowance to: 1) contribute mandatory insurance; 2) calculate unused annual leaves payment; and 3) calculate severance payment.

3. Calculate the monthly salary for all employees accurately and according to company regulation and legal requirements.

4. Provide workers with the legally required minimum wage. Ensure that the night shift payment is at least 30% of a worker's daily salary.

5. Pay the overtime rate per hour based on the monthly basic salary divided by the actual working hours in a month (but not more than 26 days' work per month).

6. Ensure that all employees with fixed term labor contracts contribute to mandatory insurance.

7. Ensure that the regular working hours do not exceed eight hours per day. Ensure that all employees receive sufficient OT payment.

8. Retroactively pay 0.5 day's basic salary per training day for each member of the fire team.

9. Provide a monthly allowance to the team leader and the vice leaders of the fire-fighting teams.

10. Communicate to female workers that they have a 30-minute break per day for at least three days per month during their menstruation period.

11. Calculate the annual leave correctly for workers with less than 12 months of service (rounded up if the decimal is equal or greater 0.5).

12. Calculate the annual leave correctly for senior workers with more than five years of service. They shall receive one extra annual leave day per every five years of service.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory ensured that the attendance and detailed payroll records of the canteen staff and the attendance records of the security guards were available for review in the next audit.
2. The factory already applied basic salary + seniority allowance to: 1) contribute to mandatory insurance; 2) calculate unused annual leave; and 3) calculate severance payments as required.
- 3) The factory applied a full basic salary base on the actual working days of the month.
- 4) Factory already provided workers with the legally required minimum wage and ensured that the night shift payment is at least 30% of a worker's daily salary.
- 5) The factory already paid the overtime rate per hour based on the monthly basic salary divided by the actual working hours in a month (but not more than 26 days' work per month).
- 6) The factory already ensured that all employees with fixed term labor contracts contribute to mandatory insurance.
- 7) The factory ensured that the regular working hours do not exceed eight hours per day. Ensure that all employees receive sufficient OT payment.
- 8) The factory already retroactively paid 0.5 day's basic salary per training day for each member of the fire team.
- 9) The factory already provided a monthly allowance to the team leader and the leaders of the fire-fighting teams.
- 10) The factory already communicated to female workers that they have a 30-minute break per day for at least three days per month during their menstruation period.
- 11) The factory already calculated the annual leave correctly for workers with less than 12 months of service (rounded up if the decimal is equal or greater 0.5).
- 12) The factory already calculated the annual leave correctly for senior workers with more than five years of service (one extra annual leave day per every five years of service).

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Off-clock working was observed during lunch time at the sewing areas. Five sewing workers were working at 12:00pm even though the lunch hour was from 11:30am to 12:30pm. Such working time has not been compensated to these workers. HOW.1

2. The factory uses a paper punching machine to record working hours. However, it was not working well during the assessment. Some workers punched the paper card to record their working hours but the machine did not record the time. Over the past few months, the factory has manually recorded the hours of work based on checking with workers directly and confirming with team leaders. However, the working hour information is still inaccurate. HOW.1

Local Law or Code Requirement

FLA Workplace Code (Hours of Working Benchmark HOW.1)

Recommendations for Immediate Action

1. Do not permit off-clock working in the factory. The factory should grant workers sufficient rest time.

2. Record working hours sufficiently and accurately. In the case of broken machines, have an alternative way workers can record their time.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory already provided workers sufficient rest time from 11:30 to 12:30 every working day.

2. The factory stopped off-clock working in the factory since 16 December 2017 and already recorded working hours sufficiently and accurately and had the attendant records with workers' confirmation in case the time machine was broken.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory does not organize an annual labor conference. FOA.1

2. The factory has not organized periodic discussions at workplaces every 3 months in 2017, despite it being in their procedures. The last communication mechanism was conducted on 10th February 2017. FOA.1, ER.25

3. 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.

Local Law or Code Requirement

Decree 60/2013/ND-CP; FLA Workplace Code (Employment Relationship Benchmark ER.25; Freedom of Association and Collective Bargaining Benchmark FOA.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory already organized an annual labor conference at year end occasion.
2. The factory will organize periodic discussions at workplaces every 3 months, starting from January 2018.
3. The factory does not take any action because this is the National issue.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Hazardous waste, such as used chemical containers and used lights, are not stored in the designated areas, which are the maintenance room and the hallway outside of the production room. In addition, the hazardous waste is not classified and labeled properly in the hazardous waste storage. HSE.1, HSE.9

2. The Material Safety Data Sheet (MSDS), the secondary containment, the chemical safety equipment, and the chemical labels are not provided for the machine oil containers located in the generator room. HSE.9, HSE.10

3. Non-hazardous waste is not classified for recyclable and non-recyclable items. HSE.1

Local Law or Code Requirement

Art. 7, Circular No. 36/2015/TT-BTNMT on Management of Hazardous Wastes (2015); Art. 29, Law No. 06/2007/QH12 on Chemicals (2007); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.9, and HSE.10)

Recommendations for Immediate Action

1. Store hazardous waste in designated areas and classify and label the waste in the hazardous waste storage accurately.

2. Provide the Material Safety Data Sheet (MSDS), the secondary containment, the chemical safety equipment, and the chemical labels for all chemicals of the factory when storing, and using.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory already stored hazardous waste in designated areas and classified and labeled the waste in the hazardous waste storage accurately.

The factory also provided the Material Safety Data Sheet (MSDS), the secondary containment, the chemical safety equipment, and the chemical labels for all chemicals of the factory when storing, and using.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory has not yet provided health and safety training for Group 5 (one nurse). HSE.1

2. The factory does not provide supervisor training on the following Employment Functions: Recruitment, Hiring and Personnel Development, Compensation, Hours of Work, Termination, Industrial Relations, Workplace Conduct & Discipline, Grievances, and HSE. ER.1, ER.17, ER.25, HSE.8

3. The factory does not provide ongoing training to all employees on the following Employment Functions: Recruitment, Hiring and Personnel Development, Hours of Work, Termination, Industrial Relations, Workplace Conduct & Discipline, PPE, and Grievances. ER.1, ER.17, ER.25

Local Law or Code Requirement

Art. 17, Decree No. 44/2016/TT-BLDTBXH; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.25; Health, Safety & Environment Benchmarks HSE.1, and HSE.8)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The company will complete and correct before Feb 1, 2018.

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The facility does not have a breastfeeding room for female workers. ND.8.1

2. The factory conducts health checks for workers once a year instead of the legally required once every six months. In addition, the canteen service provider has not conducted periodic health examinations (every six months) for their employees. The health checks for those employees is also conducted only one time per year. HSE.1

3. The factory does not have a logbook to record the workers who get sick and who take medicine for treatment. HSE.3

4. The foods samples are kept for 24 hours instead of the legally required 72 hours. HSE.22.1

- 5.The factory has not created a legally required safety-hygiene network. HSE.1
- 6.The sewing workers who sit during working hours are not provided with a chair that has back-support and an adjustable height. HSE.17
- 7.There are five first aid kits in the canteen and in the workplaces that are equipped but they lack required items such as waterproof nylon pads, safety goggles, splints, etc. HSE.18

Local Law or Code Requirement

Article 7, Decree 85/2015/ND-CP; Art. 4, Decision No. 21/2007/QĐ-BYT; Art. 152, Labor Code 2012; Art. 74, Law No. 84/2015/QH13; Circular No. 19/2016/TT-BYT on Guidelines for Occupational Health and Safety Management (2016), ANNEX 4; FLA Workplace Code (Non-discrimination Benchmark ND.8.1; Health, Safety, & Environment Benchmarks HSE.1, HSE.3, HSE.17, HSE.18, and HSE.22.1)

Recommendations for Immediate Action

The machine guards shall be used properly.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory already put the electrical wiring and switches in inflammable covers and tubes and ensured the electrical wiring was not exposed to prevent an electric shock.
2. The factory already separated the boiler and compressor areas from the production areas.
3. The factory already trained workers on how to properly use the eye-guards while working on high-speed machines and how to set needle-guards and ensured that workers use PPE properly and correctly.
4. The factory already post loading capacity and height limitations on the shelves located in the materials warehouse.
5. The factory already provided proper PPE free of charge to eligible workers and trained them on the proper use and maintenance of PPE.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

- 1.The electrical wirings in the security room and the boiler area are exposed and not covered. HSE.13
- 2.One air compressor tank near the cutting area and warehouse is not separated by a wall. This could lead to heavy accidents in the event that the case of the compressor tank explodes while workers are in those areas. HSE.14
- 3.Some sewing workers do not use eye-guards while working on high-speed machines. In addition, some sewing workers set the needle-guard so high that it would not be able to protect their fingers. HSE.8
- 4.There are no loading capacity or height limitations posted on the shelves in the materials warehouse. HSE.1
- 5.A cutting worker was observed using a damaged metal glove. In addition, the ironing workers are not provided with anti-fatigue mats. HSE.8, HSE.17

Local Law or Code Requirement

Art. 24(2)(3), Law No. 27/2001/QH10 on Fire Prevention and Fighting (2001); Art. 4, Circular No. 04/2014/TT-BLĐTBXH on Guiding Implementation of Regulations on Personal Protective Equipment (2014); Art. 138, Labor Code 2012; Art. 4, Circular No. 04/2014/TT-BLĐTBXH on Guiding Implementation of Regulations on Personal Protective Equipment (2014); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.8, HSE.13, HSE.14, and HSE.17)

Recommendations for Immediate Action

1. Put the electrical wiring and switches in inflammable covers and tubes. Ensure that the electrical wiring is not exposed to prevent an electric shock.
2. Separate the boiler and compressor areas from the production areas and ensure there is a mechanism to mitigate the risk of an explosion.
3. Train workers on how to properly use the eye-guards while working on high-speed machines and how to set needle-guards. Ensure that workers use PPE properly and correctly.
4. Post loading capacity and height limitations on the shelves located in the materials warehouse.

5. Provide proper PPE to eligible workers and train them on the proper use and maintenance of PPE. Provide proper PPE at no cost when it is broken or damaged.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory already put the electrical wiring and switches in inflammable covers and tubes and ensured the electrical wiring was not exposed to prevent an electric shock.
2. The factory already separated the boiler and compressor areas from the production areas.
3. The factory already trained workers on how to properly use the eye-guards while working on high-speed machines and how to set needle-guards and ensured that workers use PPE properly and correctly.
4. The factory already post loading capacity and height limitations on the shelves located in the materials warehouse.
5. The factory already provided proper PPE free of charge to eligible workers and trained them on the proper use and maintenance of PPE.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory has an automatic fire-alarm system only on the ground floor of the main building. The Inspection Report from the local Fire Police Department on July 26, 2017 requires the factory to design an automatic fire-alarm system and an automatic fire-fighting system for the entire factory. HSE.6

The fire extinguisher in the security room is not mounted to prevent risk of falling. HSE.6

The fire extinguishers in the non-hazardous waste storage area and the parking area are not equipped. HSE.5, HSE.6

The factory did not provide an inspection logbook for the fire-fighting equipment. However, factory management claim that internal staff inspect the fire pumps and the fire hoses frequently. HSE.5, HSE.6, ER.2

The emergency lights at the two staircases on the third floor of the main production building are not equipped. HSE.5, HSE.6

The emergency exit routes (aisles) in the material warehouse and accessories warehouse are not fully marked with lines and directional signs leading to emergency exit doors. HSE.5

The factory is using the scrolling door as emergency exit doors. 80% of the emergency exit doors are roll down doors. The Inspection Report from the local Fire Police Department on July 26, 2017 requires that the factory change the scrolling door that is currently being used as an emergency exit door to a side-hinged door that can be opened outward. HSE.5

Semi-products are partially blocking some emergency exit routes in the cutting area and in the sewing area. HSE.5

There is no assembly point designated in the factory. HSE.5

The factory fire-fighting team has only one team leader and one vice leader instead of the legally required two vice leaders. HSE.1

Local Law or Code Requirement

Art. 5, Art. 6, Art. 7, Art. 8, and Art. 10, TCVN 3890:2009; Art. 7, TCVN 2622:1995; Art. 5, TCVN 7435-1:2004; Art. 3, QCVN 06:2010/BXD; Art. 15, Circular No. 66/2014/TT-BCA; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.1, HSE.5, and HSE.6; Employment Relationship Benchmark ER.2)

Recommendations for Immediate Action

1. Follow the requirements of the local Fire Police Department to have an automatic fire-alarm system and an automatic fire-fighting system for the whole facility.
2. Mount the fire extinguisher in the security room and conduct regular inspections.
3. Equip fire extinguishers in the non-hazardous waste storage area and in the parking area.
4. Install emergency lights at the two staircases on the 3rd floor of the main production building.
5. Mark the emergency exit routes (aisles) in the material warehouse and the accessories warehouse with lines and directional signs leading to the emergency exit doors.

6. Change the scrolling door that is currently being used as an emergency exit door to a side-hinged door that can be opened outward.
7. Keep emergency exits and aisles clear of obstructions at all times.
8. Designate an assembly point in the factory and inform all the workers.
9. Appoint at least two vice leaders in the fire-fighting team.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Completed:

1. The automatic fire-alarm system was already installed in material and accessories warehouse in December 2017.
2. The factory already mounted the fire extinguisher in the security room and conduct regular inspections.
3. The factory already equipped fire extinguishers in the non-hazardous waste storage area and in the parking area.
4. The factory already install emergency lights at the two staircases on the 3rd floor of the main production building.
5. The factory already marked the emergency exit routes (aisles) in the material warehouse and the accessories warehouse with lines and directional signs leading to the emergency exit doors.
7. The factory are keeping emergency exits and aisles clear of obstructions at all times.
8. The factory already designated an assembly point in the factory and inform all the workers.
9. The factory already appointed at least two vice leaders in the fire-fighting team as requested.

To be completed by June 2018

1. The factory will follow the requirements of the local Fire Police Department to have an automatic fire-fighting system for the whole facility in the next 6 months (June 2018 will be finished)
6. The factory will change the scrolling door that is currently being used as an emergency exit door to a side-hinged door that can be opened outward in the next 6 months (June 2018 will be finished)

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory conducts daily same-sex pat-downs whenever workers leave the factory. The security department conducts these pat-downs for security purposes. H/A.10.2
2. Disciplinary action records are not maintained in workers' personnel files. ER.2, ER.27

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, and ER.27; Harassment or Abuse Benchmark H/A.10.2)

Recommendations for Immediate Action

Cease conducting daily pat-downs on factory workers. 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. The factory ensured that conducts daily same-sex pat-downs whenever there is evidence of theft and with permission from the relevant authorities.

2. The disciplinary action records were maintained in workers' personnel files (if any).