



COMPANIES: Colosseum Athletics Corporation

COUNTRY: Vietnam

ASSESSMENT DATE: 12/16/16

ASSESSOR: FLA China

PRODUCTS: Apparel

NUMBER OF WORKERS: 208

FLA note: Colosseum no longer sources products from this factory. Colosseum has provided the following information:

Colosseum's relationship with this supplier was discontinued in January 2017, and Colosseum has no plans for future business with the factory. Following the notification of findings from the FLA assessor on January 6, 2017, we immediately contacted factory management to discuss the severity of the report and the next steps for corrective actions. During an in-person meeting on January 11, 2017, factory management expressed that they wished to continue the relationship with Colosseum and that top factory leadership would soon provide additional information and a personal commitment to remediation. However, factory management proceeded to cut off all communication with Colosseum representatives despite our repeated attempts to discuss the SCI, remediation plans, and future business.

Colosseum provided notice to the factory in late January 2017 that we would terminate the business relationship if remediation did not move forward, and received no response in return. Colosseum's exit posed negligible risk of retrenchment for workers in this factory, as we had only ordered one season from the factory in 2016 (approximate production months – October – November) and had yet to place any orders for 2017. We encouraged factory management to review and act upon the items reported by the FLA assessor, but unfortunately we were not allowed any follow-up meetings to discuss plans or updates. To the best of our knowledge, there are no other FLA company affiliates sourcing from this factory.

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 policies and procedures regarding Workplace Conduct & Discipline, Health & Safety, and nondiscrimination were not provided for review.
- 2.Assessors confirmed workers were coached to respond to questions.
- 3.The factory did not cooperate with the assessment team during the second day of the assessment. Management said that there was an unannounced audit team from their client on the second day of the SCI assessment, so that the factory people has to work with the auditors sent from their client. Additionally, they took most of the provided documents back. The factory did not have any audit at the same time of SCI assessment; when the assessor came to the office up-stairs, all of people who hosted the assessors on the first day of the SCI and the Factory's Director were present. Although the assessors tried to call and ask for the cooperation from the factory to complete the assessment, and the FLA affiliate representative came to the factory early in the afternoon factory management refused to cooperate
- 4.Rather than an in-person meeting, the assessors had to call the factory for the closing meeting to share the draft notes of findings and observations.
- 5.The factory did not provide compensation data.

Local Law or Code Requirement

Law No. 27/2001/QH10 on Fire Prevention and Fighting (2001), Art. 20(1), (2); Circular No. 66/2014/TT-BCA on Detailing the Implementation of a Number of Articles of the Decree No. 79/2014/ND-CP dated July 31, 2014 Detailing the Implementation of a Number of Articles of the Law on Fire Prevention and Fighting and the Law on Amendments and Supplements to the Number of Articles of the Law on Fire Prevention and Fighting (2014), Art. 5; Labor Code No. 10/2012/QH13 (2013), Art. 119; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.16; Hours of Work Benchmarks HOW.1, HOW.7, and HOW.8; Compensation Benchmarks C.5, C.6, C.15, and C.16)

Recommendations for Immediate Action

Ensure all procedures and policies such as work rules and discipline or Health and Safety, nondiscrimination are established and provided for review.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

- 1.The factory does not have policies and procedures for Termination & Retrenchment or Hours of Work.
- 2.The factory does not have procedures for Compensation. Additionally, factory management refused to provide the policies and procedures regarding Health & Safety, Workplace Conduct & Discipline, and Non-discrimination.
- 3.While the factory has created a policy on freedom of association, there is no policy regarding industrial relations.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.23, ER.25, ER.27, and ER.32)

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

- 1.Supervisors are only provided with orientation training when they join the company, no ongoing or other training is provided to supervisors. Additionally, there is no environmental protection training for supervisors during orientation.
- 2.The factory said that ongoing training regarding the factory code of conduct is provided to workers every year, this was included in the training records. However, the training materials used for this training were not provided for review.
- 3.Workers stated that they did not receive training regarding any of the employment functions. However, factory management claimed to provide training on all of the FLA Employment functions, but when asked management could not provide training materials.
- 4.No orientation training is provided to workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.26, ER.27, and ER.28; Health, Safety & Environment Benchmarks HSE.9, and HSE.14)

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes, although in some employment functions such as compensation and benefits, Labor Union representatives were engaged when the wage scale establishment or CBA establishment.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

- 1.There are groups of workers working in the factory without any employment documentation. These workers are provided by a vendor for the quality control and ironing sections the peak season. However, the factory does keep personnel profiles, wage, or working hour records for these workers. Assessors were not allowed to access any information about this group of workers, including worker interviews. Additionally, the factory does not have an official contract with this employment agency. Furthermore, unidentified subcontractors are used for sections where the factory has insufficient resources to meet current demand.
- 2.More than 20 temporary contract workers were found by the assessor; however, the factory management claims there are no temporary workers at the factory, and did not have any employment paperwork regarding these workers. Therefore, no time records,

payroll records, or personnel profiles for these temporary workers were available for review.

3. There are job descriptions for the management personnel handling Compensation, Hours of Work, Industrial Relations, or Health, Safety & Environment. The factory does not clearly define the responsible/accountable person(s) for personnel development or Termination & Retrenchment.

4. There are no performance assessment policies and procedures for probationary workers. Furthermore, there are no Personnel Development procedures for any workers at the factory.

5. The factory does not have a system to ensure that third-party contractors follow the FLA Code of Conduct, or to ensure that they comply with all relevant labor law.

6. The factory does not have a procedure to review the policies and procedures for any of the employment functions.

7. There is an excessive probation for sewing, cutting, and quality control workers. Probation for these workers lasts from 1 to 2 months instead of 6 days.

8. Personnel files for 37 new workers, including age documentation, were not provided to the assessors.

9. The factory does not sign labor contracts with temporary workers.

10. One labor contract for a line supervisor states his position as a worker, with the consummate wage; while, other line supervisors are classified as supervisors with the correct wage.

11. Workers who have resigned from the factory and are re-hired must go through a second probation period.

12. A tattoo check is conducted for males workers as a hiring condition.

Local Law or Code Requirement

Labor Code No. 10/2012/QH13 (2013), Art. 5(1), Art. 8(1), Art. 18, Art. 22, Art. 27; Circular No. 23/2014/TT-BLDTBXH, Art. 7; Decree No. 05/2015/NĐ-CP, Art. 4; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.3, ER.4, ER.5, ER.7, ER.9, ER.11, ER.18, ER.23, ER.28, and ER.29; Compensation Benchmarks C.1, C.3, and C.15; Non-Discrimination Benchmarks ND.1 and ND.2)

Recommendations for Immediate Action

1. Provide FLA monitors unrestricted access to records and workers, including providing accurate and complete factory records and documents during the SCI assessment.

2. Reduce the excessive probationary period.

3. Labor contracts should be concluded with the temporary workers.

4. Ensure labor contracts and wages are evenly applied and fair.

5. Do not require re-hired workers to undergo a second probationary period.

6. Remove the tattoo check as a hiring condition.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

The factory does not provide protection to workers who allege violations of compensation laws, regulations, and factory procedures. There is Sunday off clock work every month (one to four times a month); however, the provided time and payroll records do not show any Sunday work.

The compensation documentation for at least four workers (one from ironing, two from finishing, and one from sewing) in November 2016 was not available on the time and payroll records provided by management. The factory said that they joined the factory in December 2016; however, based on other documents and from their testimony, these workers started at the factory in November 2016. The factory does not maintain documentation to prove that a pre-natal check is provided for workers. The provided records show that the benefit has been provided to line leaders and office staff. The factory claimed that pregnant workers did not want to have the prenatal check at the State hospitals, so the factory has not submitted the required paperwork to claim the payment from the social bureau. There were no pregnant workers available during the assessment to clarify the factory's testimony, as the factory said that all of the pregnant workers took leave during the assessment dates.

The wage level is not increased annually based on the approved wage scale.

The wages offered to the Warehouse workers (VND 3,938,000) does not match the wages they are entitled to for their positions, as shown in the factory wage scale (at least VND 4,620,000).

Minimum wage is not guaranteed for temporary workers and overtime compensation is not paid correctly to temporary workers as per the temporary workers testimony. They are paid 130,000 VND for eight regular hours plus one hour of overtime, and 160,000 VND for eight regular hours plus four hours of overtime; however, they should be paid at least 134,615 VND for eight hours of regular working time, as per the regional minimum wage for those handling the simple work in the normal working condition.

The social insurance contribution and annual leave is not paid for workers with probationary contracts.

About 30% of workers (58 workers on the November 2016 payrolls) with defined-term contracts of more than three months are not included in the social insurance payments.

Severance allowance is either not paid or insufficient, as the factory calculated their employment duration incorrectly. The employment duration is calculated beginning when the labor contract signed with workers, instead of when they began working in the factory.

The contribution to the social bureau for social insurance is delayed. The deduction was made up until November 2016, but contributions were only made until September 2016. Due to the late contribution to the social bureau, workers are not entitled to payment for their sick leave and health insurance.

Insufficient compensation was paid for regular working time and overtime in December 2015, as the factory used 27 days instead of 26 days in the compensation formula. The factory fixed the formula has used 26 days as the maximum working days per month since March 2016.

The factory does not have a system to track annual leave, so assessors could not verify if workers were provided with the correct amount of annual leave.

Overtime work during annual leave is paid at 200% instead of the legally required 300%.

The wage (3,990,000 VND) offered to at least one line leader is not as the level they are entitled to on the registered wage scale (4,550,000 VND).

Workers who attend fire firefighting training are not provided with additional pay.

Compensation records for other types of paid leave, such as marriage leave or funeral leave, were not provided for review to verify compliance.

Pay slips are not provided to temporary workers.

There is no compensation documentation for the contract workers at the factory.

Local Law or Code Requirement

Decree No. 49/2013/NĐ-CP, Art.7; Labor Code No. 10/2012/QH13 (2013), Art. 6(2), Art. 93, Art.111, Art. 116, Art.186; Decree No. 95/2013/ND-CP on Penalties for Administrative Violations Against Regulations on Labor, Social Insurance, and Overseas Manpower Supply (2013), Art. 13; Decree No. 05/2015/NĐ-CP, Art. 14, Art. 21, Art. 25; Law No. 58/2014/QH13, Art. 17; Circular No. 59/2015/TT-BLĐTBXH, Art. 3, Art.5; Art. 7, Art. 9; Art. 15; Decree No. 115/2015/NĐ-CP, Art. 2; Decree No. 47/2015/TT-BLĐTBXH, Art. 14; Decree No. 79/2014/ND-CP on Guidelines For The Law On Fire Safety And Firefighting And The Law On Amendments To The Law On Fire Safety And Firefighting (2014), Art. 35 (4); FLA Workplace Code (Employment Relationship ER.1, ER.6, ER.11, ER.18, ER.19, ER.22, and ER.32; Hours of Work Benchmark HOW.11 and HOW.16; Compensation Benchmarks C.1, C.2, C.5, C.7, C.9, C.10, C.13, C.14, C.15, C.16, C.18, and C.19)

Recommendations for Immediate Action

Create procedures to protect workers who allege violations of compensation laws, regulations, and procedures

Establish a reliable and accurate time recording system, and ensure that it is used to record the working time of all workers.

Ensure that all workers make at least the legal minimum wage. Provide workers the correct wage as shown on the registered wage scale.

Review the wage and skill levels for all workers and increase them, as committed to on the registered wage scale and labor contracts.

Maintain complete and accurate payroll and time records.

Correctly calculate all wages and overtime pay.

Provide workers on labor contract with the legally required social insurance.

Provide the correct social insurance and annual leave to workers on probation contracts.

Correctly calculate severance allowances to terminated or resigned workers.

Send the social insurance contribution to the social bureau in a timely manner.

Pay workers when they attend the fire fighting refresher course.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

- 1.Excessive regular working time for elderly workers. Elderly workers are working eight hours a day, and overtime, instead of the legally mandated seven hours.
- 2.Excessive weekly, monthly overtime in the last six months as per the provided time records. Weekly overtime in the last six months regularly reaches 20 hours with total 68 total working hours per week. Monthly overtime was as high as 52 hours per month, over the past six months.
- 3.Menstruation breaks are not provided to female workers; however, the factory pays female workers time and a half of regular wage for this break time.
- 4.Management did not provide the time and payrolls of the subcontracted security guards, canteen, quality control, and Ironing workers for review.
- 5.The swipe time card system is not centrally calibrated; the time displayed showing varies by machine.
- 6.The computerized time record system was not accessible on two assessment dates, factory management claimed that it was broken. Instead, factory management provided printed time records.
- 7.Off-the-clock work on Sundays was found, while the provided time and payroll records did not show any work on Sundays. Therefore the actual working time and rest days could not be confirmed.
- 8.The working time for temporary workers is not recorded.
- 9.The provided time records did not include clock-in and clock-out times. The time records provided by the factory only record "one" as the working day, while the overtime time records only show the total amount of daily overtime hours.

10.The factory has not established a tracking system to ensure pregnant workers provided with a shortened working time. The working hours of pregnant workers from the seventh month of pregnancy, or those nursing a child less than one year old, are recorded as “one,” which is the same as ordinary workers. Factory management stated that their working time is shortened to seven hours a day, but as their time-in and time-out were not provided their actual working time could not be verified.

Local Law or Code Requirement

Labor Code No. 10/2012/QH13 (2013), Art. 166, Art. 106, Art. 155, Art. 110; Decree No. 45/2013/ND-CP on Elaborating a Number of Articles of the Labor Code on Hours of Work, Hours of Rest, Occupational Safety and Occupational Hygiene (2013), Art. 4; FLA Workplace Code (Employment Relationship Benchmarks ER.14 and ER.23; Hours of Work Benchmarks HOW.1, HOW.2, HOW.4, HOW.5, and HOW.8)

Recommendations for Immediate Action

- 1.Create a system to better manage overtime hours, and ensure weekly working hours do not exceed 60 hours.
- 2.Provide female workers with the legally required menstruation break.
- 3.Provide time and payroll record of subcontracted security guards, canteen, quality control, and ironing workers for review.
- 4.Centralize and regularly calibrate the swipe card system.
- 5.Provide assessors with full access to the computerized time record system.
- 6.Ensure all working hours are recorded on the swipe card system, including temporary workers, and make sure the time-in and time-out are recorded.
- 7.Provide one day of rest every seven days.
- 8.Establish a tracking system to ensure pregnant workers provided with shortened working time beginning in their seventh month of pregnancy.
- 9.Shorten the working time of elderly workers to seven hours a day.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

- 1.Create a system to better manage overtime hours, and ensure weekly working hours do not exceed 60 hours.
- 2.Provide female workers with the legally required menstruation break.
- 3.Provide time and payroll record of subcontracted security guards, canteen, quality control, and ironing workers for review.
- 4.Centralize and regularly calibrate the swipe card system.
- 5.Provide assessors with full access to the computerized time record system.
- 6.Ensure all working hours are recorded on the swipe card system, including temporary workers, and make sure the time-in and time-out are recorded.
- 7.Provide one day of rest every seven days.
- 8.Establish a tracking system to ensure pregnant workers provided with shortened working time beginning in their seventh month of pregnancy.
- 9.Shorten the working time of elderly workers to seven hours a day.

Local Law or Code Requirement

Labor Code No. 10/2012/QH13 (2013), Art. 64, Art. 65; Decree No. 191/2013/ND-CP, Art. 5 and Art.6; Decree No. 60/2013/ND-CP on Detailing Clause 3 Article 63 of the Labor Code on Implementing the Democracy Regulation at Grassroots at the Working Places (2013), Art. 14; Vietnam Labor Union Constitution, Art. 2; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, and ER.26; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.11, FOA.12, FOA.15, FOA.20, and FOA.24; Compensation Benchmark C.11)

Root Causes

- 1.Conduct dialogue meetings and exit interviews with workers to understand the actual reasons why they resigned.
- 2.Ensure workers are joining the labor union of their own free will, and that workers authorize the deduction of the labor union fee from their wages.
- 3.Submit the labor union contributions to the federal labor union in a timely manner.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

- 1.Worker resignation letters were not provided for review, so it could not be verified if workers resigned or were terminated.
- 2.The factory disciplinary practices include suspension of the legally required wage increment increase.
- 3.The production manager terminated one employee in November 2016. However, the termination records, disciplinary records, and payout documents were not provided to verify if the worker was fairly disciplined and obtained the proper payout.
- 4.Disciplinary actions are not recorded in the workers' personnel files.
- 5.A copy of the workplace rules is not provided to workers during orientation.
- 6.Toilet usage cards are required in the cutting section, and in the sewing section, toilet breaks are limited to five minutes. The decision to issue these toilets cards was taken by production managers without oversight from higher management.
- 7.Overtime is not always voluntary. Workers are required to get approval if they cannot perform overtime. Furthermore, if some workers work one hour of overtime, until 17:30, 17:30 while others work until 20:30, these workers are required get the approval so they can leave before 20:30). Workers are not informed of this mandatory overtime until lunch during the day that it will be required.
- 8.According to disciplinary violation records made by the security guards, workers are considered to violate the company regulations if they leave the factory without working overtime or approval from management. Security guards said that these records are transferred to human resources once a month to implement the disciplinary proceedings. The assessors requested the disciplinary records from the factory, but they were not provided.

Local Law or Code Requirement

Labor Code No. 10/2012/QH13 (2013), Art. 8(3) and Art. 106; Circular No.23/2014/TT-BLDTBXH, Art.7; Decree No. 05/2015/ND-CP on Defining and Providing Guidance on the Implementation of a Number of Contents of the Labor Code (2015), Art. 30; FLA Workplace Code (Forced Labor Benchmark F.4; Harassment and Abuse Benchmarks H/A.1, H/A.2, and H/A.7; Health, Safety & Environment Benchmark HSE.21; Hours of Work Benchmark HOW.8; Employment Relationship Benchmark ER.2, ER.15, ER.19, and ER.27)

Recommendations for Immediate Action

- 1.Properly document resignation, termination, and disciplinary actions and ensure that they are available for review.
- 2.Discontinue the practice wage increment suspension.
- 3.Provide a copy of the workplace rules to workers during orientation

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

- 1.The grievance procedures do not include anonymous grievance mechanism. The procedures posted at the suggestion box require workers to provide their name and line number when raising their grievances. Additionally, the suggestion box is not locked.
- 2.Complaints and grievances obtained from other grievance channels are not recorded or monitored.
- 3.The grievance policies and procedures have not been updated to reflect other grievance channels other than the suggestion boxes; while in practice, workers can approach supervisors and managers directly to raise their comments or grievances.
- 4.Grievance Procedures do not provide a method of direct settlement by the worker and immediate supervisor. Also, if a direct settlement with the supervisor is inappropriate, or has failed, there are no options for senior management review. Furthermore, the grievance procedures do not protect workers from retaliation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.25)

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

- 1.The wastewater treatment (Level B) does not meet with the standard registered in the Environment protective plan (Level A).
- 2.No wastewater discharge permits have been obtained by the factory.
- 3.The factory does not have an appropriate system to respond to an unexpected environmental emergency, such as chemical spills or gas leak.

Local Law or Code Requirement

Decree No. 38/2015/ND-CP on Management of Waste and Discarded Materials (2015), Art. 4; Decree No. 201/ND-CP on Detailing the implementation a number of articles of the law on water resources (2013), Art. 16 (3); Labor Code No. 10/2012/QH13 (2013), Art. 140; FLA

Recommendations for Immediate Action

- 1.Ensure that wastewater treatment meets the legal requirements.
- 2.Obtain a wastewater discharge permit.
- 3.Establish an appropriate system to respond to an unexpected environmental emergency.

FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

- 1.The factory does not have safe operating procedures for heavy equipment such as the air compressor and boiler.
- 2.There are no evacuation procedures for special categories of workers and visitors.
- 3.There are no Health & Safety procedures for subcontractors.
- 4.The factory does not have procedures for workers to report environmental emergencies.
- 5.The factory has not implemented a lockout-tagout system.
- 6.The factory does not have procedures to ensure that special categories of workers are not exposed to hazardous chemicals.
- 7.The Health & Safety policy does not enable workers to refuse to work under unsafe conditions.
- 8.The operator, who conducts the daily inspection of the air compressor and boiler, is not trained and qualified to perform these tasks.
- 9.The factory does not have any procedures for workers to raise health & Safety concerns.

Local Law or Code Requirement

Decree No. 45/2013/ND-CP on Elaborating a Number of Articles of the Labor Code on Hours of Work, Hours of Rest, Occupational Safety and Occupational Hygiene (2013), Art. 10; Law No. 84/2015/QH13, Art. 14; Art. 13, Art. 15; Law No. 55/2014/QH13, Art 108; Labor Code No. 10/2012/QH13 (2013), Art. 140 ; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.5, HSE.11, HSE.12, HSE.14, and HSE.16)

Recommendations for Immediate Action

- 1.Create safe operational procedures for heavy equipment with strict safety requirements.
- 2.Cover special categories of workers and visitors in the emergency evacuation procedures.
- 3.Create Health & Safety procedures for subcontractors.
- 4.Create a procedure for workers to report environmental emergencies.
- 5.Establish a lockout-tagout system.
- 6.Ensure that the air compressor and boiler operators are trained and qualified before being assigned to work with this equipment.
- 7.Create procedures to ensure that special categories of workers are not exposed to hazardous chemicals.
- 8.Revise the Health & Safety policy to ensure that workers are able to refuse to work under unsafe conditions.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory did not have a construction license and the completion certification on file.

Management did not provide the building safety inspection for review.

The laser used in the cutting section, is not inspected during the working condition inspections. The factory does not have safety operating procedures for the lasers. None of the lasers have the appropriate guards, shields, and other necessary protective measures.

Pallets are stored vertically, rather than horizontally.

The first aid kits, only contain minimal supplies, and do not meet the requirements of Circular 19/2016/BYT. Additionally, the factory does not have a first aid stretcher and orthosis available.

The factory does not conduct a health check during recruitment.

The staff nurse does not have the correct career certification, while they have the correct academic certification, they do not possess the correct career certification.

Traffic accidents on the way to or from the factory are not recorded. Worker health status and illnesses is not monitored.

Health & Safety training for new workers is conducted internally, but the trainer is not certified to conduct this training.

The factory does not conduct subclinical health checks and occupational health checks for the workers.

None of the documents necessary to verify food hygiene safety compliance were provided for review. The factory does not have a kitchen onsite, therefore they use a catering service. It was not possible for the assessor to verify the catering service's compliance with hygiene standards.

The factory does not have showers, menstruation rooms, or lactation rooms.

None of the machines in the factory are grounded.

Burnt or overloaded signs were found on some electrical sockets during the plant tour, indicating that burnt or overloaded sockets are not replaced immediately.

Individual workstations are not adjustable to fit individual workers. Also, the chairs for sewing workers do not have back supports and cushions.

Workers are using a broken metal mesh glove, in the cutting section.

Medical masks are provided to workers, instead of dust masks.

Local Law or Code Requirement

Circular No. 03/2011/TT-BXD, Article 31; Circular No. 04/2014/TT-BLDTBXH on Guiding Implementation of Regulations on Personal Protective Equipment (2014), Art. 4; Circular No. 14/2013/TT-BYT, Art. 6; Circular No. 15/2012/TT-BYT; Art. 3; Circular No. 19/2016/BYT, Annex 1 and 4; Construction Law No.50/2014/QH13, Article 89.1; Decision No. 3733/2002/QĐ-BYT, Chapter II, Art. 2; Law No. 27/2001/QH10 on Fire Prevention and Fighting (2001), Art. 24(2)(3); Law No. 55/2010/QH12 on Food Safety (2010), Art. 34; Law No. 84/2015/QH13, Art. 16, Art. 73; Labor Code of Vietnam, Article 138; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.3, HSE.6, HSE.7, HSE.8, HSE.13, HSE.14, HSE.17, HSE.18, HSE.19, and HSE.20; Employment Relationship Benchmark ER.2)

Recommendations for Immediate Action

Keep the construction license and the completion certification for the factory building on file.

Regularly conduct a building safety inspection, and keep the results on file.

Include the laser used in the cutting section in the working condition inspection. Equip all lasers with appropriate guards, shields, and other appropriate protective measures. Establish safe operating procedures for the lasers.

Store pallets horizontally.

Correctly stock first aid kits as required by the Circular 19/2016/BYT. Ensure that a first aid stretcher and orthosis are available at the factory.

Conduct health checks during the recruitment process.

Ensure that medical staff have the necessary career certification.

Investigate all safety incidents.

Monitor the health status and illnesses of all workers.

Ensure that the Health & Safety trainer is properly trained and certified.

Provide subclinical health checks and occupational health checks to workers.

Provide all documents related to canteen to verify the food hygiene safety for inspection.

Equip bathrooms, menstruation rooms, and lactation rooms in the factory, as legally required.

Install grounding for all machines and equipment in the factory.

Regularly conduct maintenance of electric equipment and sockets.

Individual workstations should be adjustable to fit individual workers. Provide sewing workers with backrests and cushion.

Ensure metal gloves are good condition at cutting section, and immediately removed and replaced damaged gloves.

Provide dust masks to all workers exposed to fabric dust.

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1.The factory does not have a firefighting team.

2.The fire alarm control panel does not pinpoint the locations where the fire alarm is triggered. When different fire alarm points are triggered, the same position is shown on the fire alarm control panel for all of them.

3.One of two tested fire hoses did not work, as no one at the factory knew how to operate it.

4.The factory does not have a sprinkler system.

Local Law or Code Requirement

Circular No. 66/2014/TT-BCA on Detailing the Implementation of a Number of Articles of the Decree No. 79/2014/ND-CP dated July 31, 2014 Detailing the Implementation of a Number of Articles of the Law on Fire Prevention and Fighting and the Law on Amendments and Supplements to the Number of Articles of the Law on Fire Prevention and Fighting (2014), Art. 15; TCVN 5738:2001 on Automatic Fire Alarm System – Technical Requirements (2001), Art. 6.1; TCVN 3890:2009 on Fire protection equipment for construction and building – Providing, installation, inspection, maintenance (2009), Art. 8.3; TCVN 3890:2009 on Fire protection equipment for construction and building. Providing, installation, inspection, maintenance (2009), Art 7 (1.1); FLA Workplace Code (Employment Relationship Benchmark ER. 31; Health, Safety & Environment Benchmarks HSE.1 and HSE.6)

Recommendations for Immediate Action

- 1.Establish a firefighting team with clear roles and responsibilities for firefighting.
- 2.Equip with the factory with sprinkler or automatic fire fighting system.
- 3.Calibrate the fire alarm control panel, so that it displays the correct location of the triggered fire alarm.

FINDING NO.15

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory does not have procedures to review the policies and procedures for any of the employment functions

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)