



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Columbia Sportswear Company
COUNTRY: Vietnam
ASSESSMENT DATE: 11/11/16
ASSESSOR: FLA China
PRODUCTS: Apparel
NUMBER OF WORKERS: 1194

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: Policies & Procedures (Macro)

Finding Explanation

1. The factory has not established a procedure for Personnel Development
2. There is no procedure on Retrenchment or for calculating final payouts in accordance with legal requirements.
3. There is no policy or procedures to manage working hours and overtime work. The factory does not conduct regular analyses on Hours of Work to progressively reduce excessive working hours.
4. There is no procedure to calibrate working time of the swipe card system to ensure accurate working hours.
5. The policies and procedures on wage and benefits, working hours are not in compliance with the legal requirements. For example, factory rules and regulations does not include paternity leave nor is regular working time properly defined (regular working time is 8.5 hours, from 7:00 to 16:30). Further, the working hours for working in shifts are not defined in the company regulation.
6. There is no policy and procedure on industrial relations.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.22, ER.23, ER.25, ER.29, ER.30, and ER.32; Hours of Work Benchmark HOW.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will establish a procedure for Personnel Development and implement accordingly.
2. The factory will establish a procedure on Retrenchment or for calculating final payouts in accordance with legal requirements, and implement accordingly.
3. The factory will develop policies and procedures to manage working hours and overtime work, and review and implement accordingly.
4. The factory will update its SOP to ensure it calibrates working time of the swipe card system to ensure accurate working hours.
5. The factory will develop policies and procedures that specify: paternity leave, regular working time, and working hours for shifts, and communicate and implement accordingly.
6. The factory will develop a policy and procedure on industrial relations and implement accordingly.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

There is no job description for persons handling Hours of Work, Recruitment, Hiring & Personnel Development, Workplace Conduct & Discipline, Grievance System, Termination & Retrenchment, Industrial Relations, Environmental Protection, or Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will establish a procedure for Personnel Development and implement accordingly.
2. The factory will establish a procedure on Retrenchment or for calculating final payouts in accordance with legal requirements, and implement accordingly.
3. The factory will develop policies and procedures to manage working hours and overtime work, and review and implement accordingly.
4. The factory will update its SOP to ensure it calibrates working time of the swipe card system to ensure accurate working hours.
5. The factory will develop policies and procedures that specify: paternity leave, regular working time, and working hours for shifts, and communicate and implement accordingly.
6. The factory will develop a policy and procedure on industrial relations and implement accordingly.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The management states that the factory provided training to managers and supervisors on Recruitment, Hiring & Personnel Development, Industrial Relations, Freedom of Association, Workplace Conduct & Discipline, and Termination & Retrenchment. However, there are no records available to verify these trainings.
2. The factory has not established an orientation training program for new workers.
3. There is no ongoing training to workers on Recruitment, Hiring & Personnel Development, Termination & Retrenchment, or Industrial Relations.
4. There is no training plan to help workers with skill development.
5. The factory has not developed training material for cutting, finishing, and packing; it has only developed training material for sewing.
6. The factory does not provide workers with a copy of the company rules including the procedures for Workplace Conduct & Discipline nor is it posted on the work floor.

Local Law or Code Requirement

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. 6; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.15, ER.17, ER.25, and ER.28)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will maintain the records for the all training, including for managers and supervisors on Recruitment, Hiring & Personnel Development, Industrial Relations, Freedom of Association, Workplace Conduct & Discipline, and Termination & Retrenchment.
2. The factory will establish a an orientation training program for new workers and ensure that this takes place on a regular basis.
3. The factory will establish ongoing training for workers on Recruitment, Hiring & Personnel Development, Termination & Retrenchment, and Industrial Relations.
4. The factory will establish a training plan to help workers will skill development, and include this in their ongoing training.
5. The factory provides direct training for cutting, finishing and packing teams due to the nature of the work and education levels of workers. However, we will look into developing training materials so there is a record in place for future trainers to follow or workers to reference.
6. The factory will post the company rules on a public bulletin board for workers in Vietnamese, and it will also provide workers with a copy of the company rules including the procedures for Workplace Conduct and Discipline.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory does not regularly review the policies or procedures for any of the Employment Functions.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory will regularly review the policies or procedures for any of the Employment Functions.

FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

- 1.The factory has not established a performance review procedure; it lacks detailed instructions on how to assess and grade worker performance. Furthermore, workers are not permitted access to or provide feedback on their performance reviews. Currently, performance reviews consist of feedback from supervisors such as the trainer and line leader.
- 2.The Hiring procedure does not provide guidance on detecting falsified age documents, potential child labor issues, or discrimination.
- 3.The factory does not have any procedures for skill tests during Hiring; the skill level of candidates are not defined to properly assign workers to a corresponding job and salary.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.4, ER.28, ER.29, and ER.30; Nondiscrimination Benchmark ND.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will revise the procedures to conduct a performance review evaluation.

2. The factory will develop a hiring procedure that provides guidance on detecting falsified age documents, potential child labor issues, or discrimination.
3. The factory will develop procedures for skill tests during hiring.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

- 1.The Labor contract content is not updated based on Decree No.05/2015. It still follows the obsolete Circular No.21/2003.
- 2.The factory imposes an excessive probation period of one month instead of six days for workers in sewing, cutting, finishing, and packing.
- 3.The factory does not include allowances in workers' labor contracts.
- 4.The factory requires all new hires to undergo a one- to two-month sewing training period, regardless of skill level; all new hires in cutting, finishing and packing sections must undergo sewing training.

Local Law or Code Requirement

Decree No.05/2015, Art. 4; Law No. 10/2012/QH13, Art. 27; Labor Code No. 10/2012/QH13 (2013), Art. 8(4); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.10; Compensation Benchmark C.1)

Recommendations for Immediate Action

- 1.Ensure that contents of Labor Contract, signed by workers, are updated and based from Decree No.05/2015.
- 2.Cease the practice of excessive probation periods for jobs under sewing, cutting, finishing, and packing.Probation for those work should be 6 days only.
- 3.Ensure the allowance aligned with workers should be included in their labor contracts.
- 4.Ensure sewing training period is only applied to new sewing workers who are not skilled, and needs further experience to do the job.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will update the labor contract content so that it is based from Decree No.05/2015, and signed by workers.
2. The factory will update its practices. At the time of the assessment, it interpreted the law based on guidance from Better Work Vietnam where there is 30 day probation for sewing workers, which fall into the category of "technical workers".
3. The factory will ensure the allowance is aligned with workers should be included in their labor contracts. At the time of the assessment, the factory ensure that benefits were communicated upon signing the labor contract, and they were clearly stated in the regulations and agreed upon by both parties.
4. The factory has already ceased this practice since the time of the assessment. The factory does not require cutting workers to know how to sew unless workers wish to be moved or transferred from other departments.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Sick leave is not easily approved by the workshop manager in Workshop 4; workers sometimes have to take unpaid leave instead of sick leave because they cannot get approval for sick leave.
2. The wage scales for 2015 and 2016 were not created with the agreement of representatives of the labor union; they were determined by the headquarter with the factory Director.
3. The factory pays all workers, including the senior workers, at the same the wage level (level 1) regardless of skill or tenure.
4. The factory does not include wage-related allowances (e.g., job allowance, responsibility allowance) in the calculation of overtime pay or social insurance contributions. Overtime and social insurance contributions are only based on the basic wage.

5. The factory does not provide child-care allowances to female workers with kindergarten-aged children.
6. Due to inconsistencies in the time records, payroll records, and production records in addition to off-the-clock work in the factory, workers' compensation (including minimum wage guarantee) could not be confirmed.
7. The factory does not pay sufficient overtime to pregnant workers who work on their paid leave days (should be paid at 300% the wage rate).
8. The factory does not pay security guards a night allowance (the premium wage rate for working a night shift), night overtime (the premium wage rate for working overtime at night), or the rest day overtime premium.
9. Of the time records sampled, workers forgot to swipe out in three instances and therefore overtime worked on those days was not captured in the total number daily overtime hours. Therefore, the factory did not compensate workers for overtime hours worked on those days, as per the provided payrolls.
10. In 2016, the factory did not include payments for training in the payroll; rather, it paid for this time separately and as part of separate payroll records. Therefore it could not be verified if workers were sufficiently compensated for training.
11. There was at least one case of a worker taking leave due to a work-related accident; however, the factory only granted the worker sick leave (75% of wages) instead of incident leave (100% of wages).
12. The factory does not provide embroider workers with a payslip.
13. The factory does not compensate line leaders or line supervisors for overtime. The factory stated that these workers are paid a lump sum based on the revenue of their production line. Therefore if the factory paid them an hourly rate, they would not be entitled to their position and responsibility allowances.
14. The factory does not provide workers with necessary production tools such as scissors, bobbins and bobbincases free of charge; workers have to pay for these tools.
15. The factory paid resigned workers Insufficient severance allowance; it did not include training, probation period, or maternity leave duration in the calculation of employment duration in calculation of severance allowance.
16. The factory does not pay into wages the amount of social, health, unemployment insurance, and annual leave to workers who signed training contracts with the factory.
17. The factory does not pay probationary workers the amount of their annual leave.
18. None of the interviewed workers understood their wage calculations or the benefits to which they are entitled.

Local Law or Code Requirement

Decree No: 05/2015/NĐ-CP, Articles 14, 21, and 25; Decree No. 45/2013/NĐ-CP, Art. 3; Decree No. 49/2013/NĐ-CP on Detailing the Implementation of a Number of Articles of the Labor Code on Wages (2013), Art. 7; Decree No. 84/2015/NĐ-CP, Art 7.4; Labor Code 10/2012/QH13 (2013) Articles 8(3), 101, 144, 146, 154, and 186.3; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.6, and ER.22; Hours of Work Benchmakrs HOW.11, HOW.16, and HOW.17; Compensation Benchmarks C.1, C.2, C.3, C.5, C.6, C.7, C.10, C.13, C.14, C.15 and C.17; Nondiscrimination Benchmark ND.8)

Recommendations for Immediate Action

1. Ensure workers are entitled to sick leave, as prescribed.
2. Align the wage scale with representatives of the labor union.
3. Compensate workers at the legally required minimum wage based on their seniority.
4. Include wage-related allowances in calculations for overtime and social insurance contributions, in accordance to the law.
5. Provide the legally-required child care allowance to female workers with children at kindergarten age.
6. Accurately record working hours, production records, and payroll records.
7. Compensate workers at the correct overtime premium rate of 300% for working during paid leave or on public holidays.
8. Provide all entitled compensation (e.g., the night allowance, night overtime, and the rest day overtime overtime premium) to security guards.
9. Compensate workers for all hours of work worked.
10. Include payments for training in the payroll records.
11. Ensure workers are paid fully for accident leave; do not deduct accident leave from workers' entitled sick leave.
12. Provide all wokrers with payslips.
13. Compensate workers for overtime worked at the correct overtime premium.
14. Provide workers with production tools, free of cost.
15. Accurately calculate workers' seniority when paying severance.
16. Pay into wages the amount for social, health, and unemployment insurance as well as annual leave to workers who are not entitled to compulsory insurance.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory created a form from a nurse to keep ensure an easier process for workers to leave when they do not feel well, as well as to keep a record.
2. The factory will align the wage scale with representatives of the labor union.
3. The factories will review workers' salaries and compensate workers at the legally required minimum wage based on their

seniority.

4. The factory will look into including wage-related allowances in calculations for overtime and social insurance contributions. At the time of the assessment, the factory strictly complied with the Government's minimum wage law and have paid much higher than the minimum wage, the remaining salaries based on productivity and production efficiency.

5. The factory will look into providing legally-required child care allowance to female workers with children at kindergarten age.

6. The factory looked into the instances where there were inconsistencies, and looked into the root cause for these mistakes. The factory will train its internal team to avoid these administrative errors in the future.

7. The factory will compensate pregnant workers at the correct overtime premium rate of 300% for working during paid leave or on public holidays. It will also communicate to workers the need to share their pregnancy with the factory so it can ensure they are accommodated in terms of their pay and prohibiting work with hazardous materials or positions where there is excessive standing. During the time of the assessment, the factory management was not aware that certain workers were pregnant, so we have communicated this importance to all workers and will include it in new worker training going forward.

8. During the time of the audit, the security guards were paid according to the contractual salary that was in compliance with local law. However, the factory will do a review of their pay and ensure that they provide all entitled compensation (e.g., the night allowance, night overtime, and the rest day overtime overtime premium) to security guards.

9. At the time of the assessment, some of the workers had forgotten to swipe out. However, the factory will create an SOP and will communicate it to workers in case they forget in the future.

10. The factory paid all workers for the training in a separate payment table, but in the future it will include payments for training in the payroll records.

11. The factory will ensure workers are paid fully for accident leave and will not deduct accident leave from workers' entitled sick leave. At the time of the assessment, the factory policy was to pay the required leave money, and also sick leave is covered by insurance.

12. The factory will provide all workers including embroidery workers, with payslips for their records.

13. The factory will compensate workers for overtime worked at the correct overtime premium. At the time of the assessment, the company was offering bonus allowances based on the level of work assigned. Therefore if they were line leaders their overtime was not included because it could not be more than the bonus allowance however.

14. The factory provides all workers with production tools, free of cost.

15. The factory will accurately calculate workers' seniority when paying severance. At the time of the assessment, there was some confusion about interpretation of local law but it is understood.

16. The factory will pay into wages the amount for social, health, and unemployment insurance as well as annual leave to workers who are not entitled to compulsory insurance.

17. The factory will review and pay into wages the annual leave of workers who are not entitled to compulsory insurance.

18. The factory will enhance its existing training to ensure all workers understand their wage calculations and benefits to which they are entitled, and it will also include this in the new worker orientation.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Overtime is not voluntary. The factory arranges at least one hour a day of overtime which workers have to work in order to meet the quota (as quotas are based on this hour of overtime work). Also, workers have to stay to complete the assigned quota; if they leave earlier, they must get supervisor approval. If workers are not able to perform overtime, they need to ask permission from supervisors (which is typically granted only in cases of emergency). If workers do not receive permission, they cannot pass the security guard to leave the factory.

2. The factory arranges excessive regular working hours to embroidery workers on the dayshift; they work from 6:00 to 14:30 with a 30-minute lunch break.

3. About 60% of workers worked excessive daily overtime hours (4.5 hours in October 2016), weekly overtime hours (25, 31.5, 31 and 24 hours in May, June, July and October 2016, respectively), and monthly overtime hours (68, 76, 35, and 58 hours in June, July, September and October 2016, respectively).

4. Excessive weekly working hours over 60 (May: 73; June 79.5; July 79; October 72).

5. The factory did not guarantee a day of rest (24-consecutive hours) for every seven-day work period to workers in May (13 continuous days), June (eight continuous days from June 11-18 and 14 days from June 11-24), and July (12 continuous days).

6. The factory does not guarantee a day of rest day for every seven-day work period to security guards; they work 30 to 31 days a month without any rest day.

7. The time recording system is not reliable. Workers clock-in between three and 32 minutes before the official starting time; however, this working time is not included in working hours and therefore workers are not compensated for this time worked. In addition, for some sampled time records, the time-in and/or time-out is missing, resulting in the factory not counting overtime hours in workers' compensation on those days.

8. The factory does not provide workers with an overtime break; workers are nevertheless compensated for this time worked, according

to the payroll records.

9. The factory does not provide a menstruation break to female workers during their menstruation.

10. In Workshop 2, there is off-the-clock work during the lunch break. Additionally, production records for January, May, and June 2016 showed Sunday off-the-clock work (work that was not on the provided payrolls or time records); thus workers' actual working time and overtime could not be verified. Also, as reported by workers, since July 2016, workers have to work off-the-clock without working time recorded after 17:45 to complete the assigned quota.

11. Workers joining the training in 2016 and their training times were not recorded on the time record system in 2016.

12. The swipe card system is not used to record the working time of trainees or security guards; the factory uses hand written time sheets which only indicating if they are present at work, and do not include the worker's time-in and time-out.

13. Workers are not aware that their regular working hours is eight hours per day; workers believed that their regular working hours were nine – from 7:30 to 17:30.

Local Law or Code Requirement

Circular No.54/2015/TT-BLĐTBXH, Art. 36; Decree No. 45/2013/ND-CP, Art. 3, 4, and 5; Labor Code No. 10/2012/QH13 (2013), Art. 8(3), 104, 106, 110, and 155; FLA Workplace Code (Employment relationship Benchmarks ER.1.2, ER.2, ER.16, ER.18, and ER.23; Hours of Work Benchmarks HOW.1, HOW.2, HOW.3, HOW.4, and HOW.8; Forced Labor Benchmark F.8; Compensation Benchmarks C.3, C.5, C.15, and C.16)

Recommendations for Immediate Action

1. Ensure overtime is voluntary.
2. Ensure regular working hours do not exceed eight hours daily, as legally required.
3. Ensure overtime should be controlled in the legal limit as prescribed and total weekly working hours should not exceed 60 hours as per the FLA Code.
4. Provide workers with at least 24-consecutive hours of rest for every seven-day working period.
5. Implement a reliable time recording system to accurately record working hours and calculate compensation. Ensure all working hours are accurately recorded and workers compensated correctly for all hours worked.
6. Record training time on the time recording system.
7. Provide 30 minutes of overtime break to workers if they work two or more hours of overtime a day.
8. Provide a 30-minute menstruation break to female workers during their menstruation, as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory takes this issue very seriously, and will continue to conduct regular production assessments to get an accurate assessment of capacity and production using a stopwatch. Then it will continue to adjust the quota accordingly to reduce the amount of overtime. The factory also developed a new policy and communicated to workers that they are free to leave when they choose, and they no longer need supervisor approval.
2. The factory updated its policies and will ensure that all regular working hours do not exceed 8 hours per day.
3. The factory has updated its SOP to control the daily overtime as well as conducted a root cause analysis to determine how to avoid in the future. At the time of the assessment, the factory experienced raw material delivery delays which resulted in overtime work. We will continue to work hard towards controlling working hours and the variables that can impact this.
4. The factory has updated its SOP to control the weekly overtime as well as conducted a root cause analysis to determine how to avoid in the future. At the time of the assessment, the factory experienced raw material delivery delays which resulted in overtime work. We will continue to work hard towards controlling working hours and the variables that can impact this.
5. The factory will provide workers with at least 24-consecutive hours of rest for every seven-day working period. It will also update its policy and communicate it to workers and managers.
6. The factory will provide security guards with at least 24-consecutive hours of rest for every seven-day working period. It will also update its policy and communicate it to security guards and managers.
7. The factory will communicate policy to workers to not clock in more than 15 mins before work starts. During the time of the assessment, workers had clocked in early because of the free breakfast provided by the factory and also because most workers are local and they arrived a bit early after dropping their children off at school.
8. The factory has updated its policy. All workers are provided 30 minute breaks if they work overtime, and are always fully compensated for all hours worked and at the correct rate.
9. The factory will communicate this to workers with posters and in ongoing/new employee training to inform them of their benefits. The workers may just feel uncomfortable with sharing this information, but with visual communications it will remind them of their benefits.
10. The factory looked into the instances and root causes behind the inconsistencies and off the clock work. The factory will train its internal team to avoid these administrative errors in the future.
11. The factory will record training time on the time recording system. During the time of the audit, the factory recorded it separately because the payment came from a different training budget. However, workers were paid 150% OT rates for their time.
12. The factory will record training time on the time recording system.
13. The factory will communicate working hours to workers and integrate this into new employee orientation.

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory has not conducted a dialogue meeting with the workforce.
2. The factory does not post the Collective Bargaining Agreement (CBA) or the labor conference minutes on the factory notice board, as legally required. The factory also does not provide workers with a copy of the CBA.
3. There is no evidence of workers engaging in the election of Labor Union representatives. The company did not provide any Labor Union election records for review.
4. The factory deducts union dues from unionized workers' monthly wages without their written consent.
5. The factory does not provide any office space or other facilities to the union(s) or other worker representative structure. However, whenever needed, rooms are arranged for Labor Union meetings.
6. The factory does not post factory rules, the collective bargaining agreement, or wage scales on the work floor.
7. 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.

Local Law or Code Requirement

Decree No. 60/2013/ND-CP, Art 4 and Art. 6; Labor Code No. 10/2012/QH13 (2013), Art. 65; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.16, ER.25, and ER.26; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.11, FOA.15, and FOA.24; Compensation Benchmark C.11)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. In 2016, the company conducted 3 dialogues with full minutes available for review. It will continue to conduct these regularly.
2. The factory will notify all workers of the CBA by posting this on the notice board and providing workers with a copy of the CBA.
3. The factory has a dossier now available with Labor Union election records.
4. The factory does not deduct this from the salary as the workers will pay cash to the union. Therefore payroll does not show this deduction.
5. The factory will continue to make meeting space available whenever needed for the union and worker representatives to use for meetings.
6. The factory will post factory rules, the collective bargaining agreement, and wage scales on the work floor.
7. The factory will monitor the law and follow it accordingly.

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The factory does not maintain records of disciplinary actions in workers' personnel files; the factory keeps the records separately in the office.
2. The factory applies a monetary deduction if the monthly group production target is unmet; up to 50% of workers' responsibility and

position allowances would be deducted, which are the parts of wage composition.

3. Wage increment suspension is one of the disciplinary practices as shown on the factory regulation.

4. The Labor Union representative do not engage in disciplinary procedures or attend disciplinary meetings, as legally required.

5. There is no process to discipline supervisors, managers, or workers who engage in any form of harrassment or abuse in the factory.

6. Verbal abuse by line leaders and supervisors was reported by workers in interviews and through a worker survey conducted at the request of the brand. Line leaders shout at the workers using profanity to push workers to complete the quota or when the quota is unmet.

7. The factory does not set a reasonable quota, as reported by workers in interviews. Due to the high quota, workers do not take a bathroom break as often as needed, otherwise they are shouted by their line leaders or the next workers to complete the daily quota assigned to each line.

Local Law or Code Requirement

Circular No.23/2014/TT-BLĐTBXH, Art. 7; Labor Code No. 10/2012/QH13 (2013), Art. 8(3); Law No. 10/2012/QH13, Art. 123, 128, and 101; FLA Workplace Code (Employment Relationship Benchmarks ER.2, and ER.27; Harassment & Abuse Benchmarks H/A.1, H/A.2, H/A.5, H/A.7, and H/A.11; Forced Labor Benchmark F.4; Health, Safety & Environment Benchmark HSE.21)

Recommendations for Immediate Action

1.Maintain records of disciplinary actions in workers' personnel files.

2.Cease the monetary deduction practice.

3.Ensure representatives from the Labor Union attend the disciplinay procedures and meetings.

4.Cease verbal abuse toward workers. Establish and implement a system to discipline supervisors, managers, and workers who engage in any form of harrassment and/or abuse.Set reasonable quotas for workers that ensure workers' freedom of movement; Do not restrict movement in canteens, during breaks, using toilets, accessing water, or accessing necessary medical attention.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will maintain records of disciplinary actions in workers' personnel files.

2. The factory will update its policies. At the time of the assessment, the productivity allowance is intended as an additional incentive to encourage workers, it was not a requirement by the law. As specified in the Collective Bargaining Agreement, the deduction is not taken from the salary, but rather it their productivity allowance maximum was not reached.

3. The factory will look into updating this, however no worker has been subjected to this disciplinary practice. At the time of the assessment, it was following Article 46 of the Factory Regulations, which was approved by the local authorities as this aligns with Article 125 of the local labor law in Vietnam.

4. The factory will ensure representatives from the Labor Union attend the disciplinary procedures and meetings.

5. The factory takes this issue very seriously and will communicate a "No Profanity" policy to all workers and manager, adding posters to bulletin boards to remind everyone. The factory will also continue to work with Columbia to participate in the annual worker communications survey for regular monitoring.

6. The factory takes this issue very seriously and will communicate a "No Profanity" policy to all workers and manager, adding posters to bulletin boards to remind everyone. The factory will also continue to work with Columbia to participate in the annual worker communications survey for regular monitoring.

7. The factory takes this issue very seriously, and will continue to conduct regular production assessments to get an accurate assessment of capacity and production using a stopwatch. Then it will continue to adjust the quota for workers accordingly.

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The factory did not monitor or document the verbal grievances that workers raised to the management or line supervisors.

2. The grievance system is not anonymous. Workers have to provide their name, personal ID number, family booklet, employee ID number, and department when submitting their complaints or grievances to management through the suggestion boxes.

3. Direct supervisors address their subordinates' grievances; management does not review how these grievance are resolved.

4. The factory does not review and update the Grievance System policy or procedures, nor are workers trained on the Grievance System.
5. The factory has only posted the procedures for the Grievance System in Workshops 3 and 4. It has not posted the procedures in either Workshop 1 or 2.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.25; Compensation Benchmark C.19)

Recommendations for Immediate Action

- 1.Document and monitor all grievances for continuous improvement.
- 2.Implement an anonymous procedure for workers to submit their grievances.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will Document and monitor all grievances for continuous improvement. We will use the annual worker survey with Columbia as a channel to monitor grievances.
2. The factory will updates its grievance system to ensure that it is all anonymous.
3. The factory management will review and continue to update the SoP for its Grievance System and will provide refresher training to communicate.
4. The factory will review and continue to update the SoP for its Grievance System and will provide refresher training to communicate.
5. The factory posted the procedures for the Grievance System in Workshops 1 and 2.

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not have an appropriate system to respond to any unexpected environmental emergency such as chemical spills or gas leak.
2. The waste water treatment system was being built as observed during the assessment, but not yet completed, while the factory was in operations since 2003. Also, environment impact assessment has not been conducted quarterly as per the environmental protection plan/commitment, the factory only measure the waste water quality every 6 months;
3. The environment protection plan has not been updated since 2009 to assess all the environmental impacts of the current factory's operations.
4. The factory does not manage its environmental impact of their chemicals at all.

Local Law or Code Requirement

Chemical Law No. 06/2007/QH12, Art.36 and 37; Decree No. 38/2015/ND-CP on Management of Waste and Discarded Materials (2015), Art. 4; Law No. 55/2014/QH13, Art. 29, 30, 31, 33, 34; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.4, HSE.5, and HSE.9)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will updated it SOPs to establish and include an appropriate system to respond to any unexpected environmental emergency such as chemical spills or gas leak.
2. The factory has completed building the waste water treatment system. It will also conduct the environmental impact assessment quarterly.
3. The factory updated its environment protection plan to assess all the environmental impacts of the current factory's operations.
4. Through the development of the environmental protection plan, the factory will work to manage its environmental impact of its chemicals.

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

- 1.The factory does not have a waste water discharge permit is not available as required by law. The factory does not yet have a waste water treatment system (it was in construction at the time of the audit), and therefore does not treat its wastewater.
- 2.Waste is not classified at the source; hazardous and solid waste is not classified, labeled and separated in the hazardous waste storage area. Hazardous waste (i.e. fluorescent tubes) is not kept in the hazardous waste storage area. The roof of the hazardous waste storage area does not cover the whole area.
- 3.The water in the toilets of Workshops 1, 2, 3, and 4 runs when not in use. The faucets in the female toilets also run when not in use.

Local Law or Code Requirement

Law No. 17/2012/QH13, Art. 37; Law No. 55/2014/QH13, Art. 4, 85, 87 and 91; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.4, and HSE.9)

Recommendations for Immediate Action

- 1.Obtain the waste water discharge permit.
- 2.Classify, segregate, and store hazardous and non-hazardous solid waste in the respective waste storage areas.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory obtained its waste water discharge permit.
2. The factory will classify, segregate, and store hazardous and non-hazardous solid waste in the respective waste storage areas. It will also communicate this requirement to all employees through training and with posters.
3. The factory has repaired all toilets in Workshops 1,2,3,4 in the female toilets so they do not run when not in use.

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have any guidance documents for external contractors or service providers concerning Health & Safety
2. The training for Group 4 (all workers) on Health & Safety is not sufficient; it is only one to two hours per year instead of eight to 16 hours, as required by law.
3. The factory has not created its Health & Safety plan for 2016.
4. The factory has not conducted a Health & Safety risk assessment for the different job positions in the factory.
5. There is no procedure for the proper selection and purchasing of personal protective equipment (PPE).
6. There are no procedures for workers to report emergency issues or a policy of non-retaliation for worker who report Health & Safety concerns.
7. Most manufacturing positions do not have Standard Operating Procedures (SOPs).

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH, Art. 3; Decree No. 44/2016/NĐ-CP, Art. 19.1; Law No. 84/2015/QH13, Art. 6, 7, 15, 16, 23, and 76; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1 and HSE.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will develop guidance documents for external contractors/service providers concerning Health & Safety.
2. The factory will enhance its training on Health and Safety for workers to 8-16 hours.
3. The factory developed its plan for 2016 and will ensure a plan is created annually.
4. The factory will conduct a Health & Safety risk assessment for the different job positions in the factory and implement it accordingly.
5. The factory will develop a procedure for the proper selection and purchasing of personal protective equipment (PPE) and implement it accordingly.
6. The factory has a Suggestion Box that it checks regularly and established a Complaint Resolution Process that it will communicate to workers to report emergency and Health and Safety concerns, and also inform them of non-retaliation.
7. The factory will review which manufacturing positions do not have SOPs and develop them accordingly.

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are cracks in the walls of Workshops 1, 2, and 4, the gas storage area, and the canteen. The factory has not conducted or commissioned a building inspection to ensure the structure's integrity. The inspection certificate, which should be provided by the competent agency, was not available for review.
2. In Workshops 2, 3, and 4, 30% of fire extinguishers do not indicate an inspection date. There is at least one expired fire extinguisher in Workshop 2, and one with a blurred indicator in the embroidery section. None of the fire extinguishers in the embroidery section are mounted. The location of fire extinguishers is not marked for quickly locating in the event of a fire.
3. There are no fire extinguishers in the bike parking area or in the hazardous waste storage area.
4. The fire hoses in the warehouse of Workshop 2 are blocked by fabric rolls, semi-produced goods, and tables and chairs.
5. The factory has approximately an additional 5% of fire extinguishers in the Workshops, rather than 10% as prescribed.
6. The factory does not maintain the records for the inspection or maintenance of fire equipment, as legally required.
7. The factory does not adequately manage smoking in the workshops; during the factory tour, assessors observed cigarette butts and smoke in the male toilets.
8. The factory does not have an automatic fire alarm; the fire alarm can only be triggered manually (there is an automatic fire alarm in the Fabric Warehouse only).
9. In the Fabric Warehouse and in packing and warehouse areas of Workshop 2, the fire alarm was not audible while tested.
10. There is no separate power source for the manual fire alarm system.
11. The control box and indicator of the automatic fire alarm system linked to the smoke detectors in the Fabric Warehouse was installed inside the warehouse, where there is no one working at night.
12. There are no smoke detectors in the workshops; there are only smoke detectors in the Fabric Warehouse and Finished Goods Warehouses.
13. The factory has not installed a sprinkler system, which is especially important in the Finished Goods and Material Warehouses.
14. The factory has not conducted, nor commissioned a competent agency to conduct, an inspection of the smoke detectors.
15. The evacuation map in Workshops 1, 2, and 4 do not have "you are here" indicators.
16. The factory has not posted an evacuation map in the embroidery section.
17. The exit doors between Quality Control and the packing section in all workshops are narrow; they are only about 60cm wide.
18. The finishing section in Workshop 2 does not have a secondary exit.
19. The factory has not designated any assembly points.
20. Aisles in the cutting sections of all workshops (1, 2, 3, and 4) are blocked by cutting frames and tools. The aisles of the packing section in Workshop 1 were blocked by boxes and finished goods.
21. The exit between Packing and Quality Control in Workshop 1 is blocked by shelves.
22. At least three exit doors were latched on one side in Workshops 3 and 4; two of four emergency exits in the embroidery sections were latched. The latches must be released before workers can exit.
23. Two out of four emergency exits in the embroidery section are locked.
24. The exits do not open outwards in the embroidery section or in the Finishing Warehouses and the Material Warehouses in Workshops 1 and 2; they are either sliding doors or rolling doors.

Local Law or Code Requirement

Circular No. 03/2011/TT-BXD, Article 3; Circular No. 08/2006/TT-BXD, Chapter 2, point 1.3; Circular No. 66/2014/TT-BCA, Art. 5; Circular No. 52/2014/TT-BCA, Art. 8 and 10; Decision No. 2726/BKHCN on Fire protection equipments for building and construction - Providing, installation, inspection, maintenance (2009), Art. 4(5), 4(6) Art. 4(7), 5(1)(1), 5(1)(3), 5(1)(7), 6(1)(3), and 6(2)(1); TCVN 2622 on Fire prevention and protection for buildings and structure - Design requirements (1995), Art. 7.5, 7.7, 7.17, 7.24; TCVN 7435-1:2004 on Fire Protection - Portable and Wheeled Fire Extinguishers. Part 1: Selection and Installation (2004), Art. 5; TCVN 5738:2001 on Automatic Fire Alarm System – Technical Requirements (2001), Art. 6.2; Art. 8.1; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.31; Health, Safety & Environment Benchmarks HSE.4, HSE.5, and HSE.6)

Recommendations for Immediate Action

1. Commission a competent agency to inspect the building for safety and provide an updated inspection certificate. Make the certificate available for review. Make any recommended repairs.
2. Inspect the fire extinguishers in the legally required intervals, depending on their type.
3. Mount and mark all fire extinguishers for ease of locating.
4. Equip the bike parking area and the hazardous waste storage area with fire extinguishers.
5. Ensure fire equipment is always accessible and unobstructed.
6. Keep an additional 10% of spare fire extinguishers in the workshops.
7. Maintain the inspection and maintenance records of the fire equipment, as legally required.
8. Strictly control smoking throughout the factory.
9. Install an automatic fire alarm system in the workshops.
10. Ensure the fire alarm is connected in each workshop and is audible throughout the entire factory when triggered.
11. The separate power source should be equipped for the fire alarm system.
12. Install the control box & indicator of automatic fire alarm system linked to the smoke detectors in the fabric warehouse in an area where people work.
13. Install smoke detectors in the workshops.
14. Install an sprinkler system in the factory, especially in the Finished Goods Warehouses and Material Warehouses.
15. Annually inspect the smoke detectors.
16. Include a "you are here" indicator on all evacuation maps.
17. Post an evacuation maps in the embroidery section.
18. Ensure exit doors between Quality Control and the packing section in all workshops are at least 0.8 meters wide for safe evacuation, as legally required.
19. Provide a secondary exit for the finishing section of Workshop 2.
20. Establish assembly points for the factory. Communicate with workers their designated assembly point.
21. Keep all emergency aisles unblocked and emergency exits unlocked, unlatched during working hours.
22. Ensure emergency exit doors open outwards.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The company has put together a team of construction engineers that regularly inspect the building. The Board of Directors also approved a new plan that will start in 2018 which will result in comprehensive repairs. The factory will also develop and review a plan for senior management that includes commissioning a competent agency to inspect the building for safety and provide an updated inspection certificate.
2. The factory inspected the fire extinguishers and mounted and marked them all for ease of locating. The factory remediated this issue.
3. The factory equipped the bike parking area and the hazardous waste storage area with fire extinguishers. The factory remediated this issue.
4. The factory trained line leaders/supervisors to ensure that fire fighting equipment is always accessible and unobstructed.
5. The factory kept an additional 10% of spare fire extinguishers in the workshops.
6. The factory will maintain the records for the inspection or maintenance of the fire equipment. They have an annual contract with firefighters as required by law and maintain equipment inspection records.
7. The factory will reinforce the no smoking rules in the factory by communicating to workers, posting signs, and having line leaders/supervisors help remind workers of the rules.
8. The factory has developed a plan to install automatic fire sprinklers in the fabric warehouse and submit to the Board of Directors for their approval.
9. The factory will ensure the fire alarm is connected in each workshop and is audible throughout the entire factory when triggered.
10. The factory has separated the power sources for the manual fire alarm system.
11. The factory is working to install the control box and indicator of the automatic fire alarm system so it is linked to the smoke detectors in the fabric warehouse where there are other people working.

12. The factory has installed smoke detectors in the workshops.
13. The factory will develop a plan to install automatic fire sprinklers in the Finished Goods and Material Warehouses and submit to the Board of Directors for their approval.
14. The factory will look into commissioning a competent agency to conduct an inspection of the smoke detectors. At the moment, the factory department heads of security and technicians are required to periodically check smoke alarms in order to determine any damage and submit to repair units.
15. The factory has added "you are here" indicators on the evacuation maps in workshops 1, 2, and 4.
16. The factory posted an evacuation map in the embroidery section.
17. The factory is working to ensure exit doors between quality control and the packing section in all the workshops are at least 0.8 meters wide for safe evacuation.
18. The factory has provided a secondary exit for the finishing section of Workshop 2.
19. The factory established and clearly marked assembly points for personnel to gather in case of fire or any evacuation.
20. The factory will work to keep all emergency aisles in all workshops unblocked, including the aisles of the packing section in Workshop 1, to ensure clear evacuation. It will also communicate this to workers and line managers/supervisors for their daily checking.
21. The factory will work to keep all emergency exits unblocked, including the exit between packing and quality control in Workshop 1, to ensure clear evacuation. It will also communicate this to workers and line managers/supervisors for their daily checking.
22. The factory will work to keep all emergency exit doors unlatched, including in Workshops 3 and 4 to enable evacuation. It will also communicate this to workers and line managers/supervisors for their daily checking.
23. The factory will work to keep all emergency exit doors unlatched, including in the embroidery section. It will also communicate this to workers and line managers/supervisors for their daily checking.
24. The factory is working to adjust emergency exit doors so they open outwards.

FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no eyewash or shower stations in the chemical usage and storage area.
2. The factory does not provide chemical safety training to workers who handle chemicals.
3. In the spot cleaning areas and maintenance areas of all workshops, the factory stores chemicals in drinking bottles or soft drink bottles.
4. There are no MSDSs or secondary containers for any of the chemicals: machine oils and chemicals in the stock warehouse, glue in the packing section and in the warehouse, and chemicals used in the spot cleaning areas.
5. In the gas storage area and kitchen, the factory has not chained gas tanks to prevent them from falling.
6. The factory has not posted a no-smoking sign in the gas storage area.
7. In the spot removal area of Workshop 1, pregnant workers are exposed to hazardous chemicals such as butyl Acetate, Sodium Hypochlorite.

Local Law or Code Requirement

Circular No. 18/2013/TT-BCT, Art. 10.3; Labor Code of Vietnam, Section 160; Law No. 06/2007/QH12 on Chemicals (2007), Art. 12, 21, 28, 30, 31, 36; TCVN 5507-2002. Hazardous chemicals - Code of practice for safety in production, commerce, use, handling and transportation. Art 4.1.3, 4.4.3, and 4.4.4; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.9, HSE.10, HSE.11, and HSE.12)

Recommendations for Immediate Action

1. Install eyewash and shower stations in areas where chemicals are used and stored.
2. Provide chemical safety training to workers who handle and use the chemicals.
3. Properly label all chemicals.
4. Provide complete MSDSs for all chemicals, and make available to workers in their native language(s).
5. Provide secondary containers for all chemicals.
6. Secure all bottled gas with a chain.
7. Post a no-smoking sign in the gas storage area.
8. Cease assigning pregnant workers to hazardous work.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will look into installing eyewash and shower stations in areas where chemicals are used and stored.
2. The factory will provide chemical safety training to workers who handle and use the chemicals, and include this as part of the new employee orientation process.
3. The factory will ensure that all chemicals are properly labeled. It will also communicate this to workers and line managers/supervisors for regular checking.
4. The factory will provide complete MSDSs for all chemicals, and make available to workers in Vietnamese. It will also provide secondary containers for all chemicals.
5. The factory will secure all bottled gas with a chain to prevent it from falling, and communicate this to workers.
6. The factory posted a no-smoking sign in the gas storage area. See photo.
7. The factory will discuss with workshop leaders and line leaders about restricting certain work to pregnant workers which may expose them to a higher level of risk because of hazardous chemicals. It will also communicate this to workers.

FINDING NO.17

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no soap in the male restroom of Workshop 3 and 4.
2. There are not enough faucets installed in the male restroom of all workshops. For example, in Workshop 2, there is only one faucet for 71 male workers.
3. The factory does not provide enough toilet paper to workers; workers are each given only one roll of toilet paper per month. The factory does not provide any toilet paper to embroidery workers.
4. There are not enough toilets in each workshop; for each workshop, there are only two male and five female toilets. For example, in Workshop 2, there are only five toilets for 262 female workers.
5. There are no bathrooms in the factory, as legally required.
6. The factory canteen does not cover cooked food.
7. Canteen workers do not wear the provided gloves or face masks when serving food and drinks.
8. The hand washing facilities in the canteen are broken and do not have running water.
9. The factory stores bags of rice on the floor, instead on pallets.
10. The meat grinding machine used in the kitchen is not made of stainless steel and rusted.
11. The fluorescent lights in the kitchen are not covered.
12. The doctor, nurse, nor the boiler staff do not have career certificates.
13. The factory does not record and investigate accidents that occur to workers when commuting to and from the factory, which are legally considered occupational accidents.
14. The factory does not track illnesses.
15. The factory has not equipped the first aid area in Workshops 2 and 4, where there are more than 300 workers.
16. The first aid kit in the packing section of Workshop 1 is locked.
17. The factory does not provide rooms to pump and store breast milk

Local Law or Code Requirement

Law No. 84/2015/QH13, Art 7.2.e; Circular 15/2012/BYT, Art 1.5, 2.3.b, 3.4, 4.4, and 4.5; Circular 19/2016/TT-BYT, Art 2, 3, 6, and 8, Annex 1; Circular 41/2011/TT-BYT, Art 2; Decision No.64/2008/BLDTBXH, Art 8; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.4, HSE.6, HSE.8, HSE.19, HSE.20, and HSE.22)

Recommendations for Immediate Action

1. Supply the toilets with soap and sufficient toilet paper.
2. Install a sufficient number of faucets in the male toilets.
3. Provide a sufficient number of toilets and bath rooms for men and women in each workshop.
4. Cover cooked food in the canteen.
5. Ensure canteen workers wear gloves and mouth cover when serving the foods and drinks.
6. Replace the meat grinding machine in the kitchen with one made of stainless steel.
7. Cover fluorescent lights in the kitchen to prevent any glass shards or mercury falling into food preparation areas if the lights break.
8. Ensure doctor, nurse, and boiler staffs obtain career certificates.
9. Record and investigate accidents that occur to worker on their way to-and-from the factory.
10. Track and monitor the illnesses of all workers.
11. Keep first aid kits fully stocked with first aid supplies. Keep unlocked and available on the work floor.
12. Provide rooms for breastfeeding workers to pump and store breast milk.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will supply all toilets with soap and assign personnel for regular checking.
2. The factory will look into adding more faucets in the male restroom in all workshops to ensure there are enough for all the male workers.
3. The factory will supply sufficient toilet paper to all workers and assign personnel for regular checking.
4. The factory will look into adding more toilets in the male/female restroom in all workshops to ensure there are enough for all workers.
5. The factory will look into adding a sufficient number of toilets and bath rooms for men and women in each workshop.
6. The factory will cover all cooked food and communicate to canteen staff about the importance for food safety.
7. The factory will ensure that all canteen workers wear gloves and mouth covers when serving food and drinks, and communicate to canteen staff about the importance for food safety.
8. The factory will check all hand-washing facilities in the canteen and ensure they have running water, replacing those that are not working.
9. The factory will store all bags of rice on pallets and communicate to the kitchen staff about this.
10. The factory removed the meat grinding machine as it was rarely used.
11. The factory will cover fluorescent lights in the kitchen to prevent any glass shards or mercury falling into food preparation areas if the lights break.
12. The factory will ensure that the doctor, nurse, and boiler staff obtain career certificates and keep this on file for future review.
13. The factory will look into recording and investigating accidents that occur to worker on their way to-and-from the factory.
14. The factory will track and monitor the illnesses of all workers.
15. The factory will keep first aid kits fully stocked with first aid supplies, and assign line managers for regular checking.
16. The factory will keep first aid kits unlocked and available on the work floor.
17. The factory will look into a private space that they can convert into a room for nursing mothers.

FINDING NO.18

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The SOPs, including safety instructions, posted on each machine do not include the PPE required, operation of the shut-off buttons, safe operation of machines. For example, on the band knife machine, there is no instruction to wear metal gloves on both hands to protect operators from cuts; on the hot press machine, there is no instruction to use two hands while operating the machines.
2. There are no SOPs, machine guards, or PPE provided for laser operations in the cutting section.
3. Although the factory provides all workers with dust masks after their probationary period, about 30% of sewing workers or cutting workers do not wear the masks while working.
4. The factory only provided one metal glove to workers working with the band knife machine.
5. The factory does not provide new workers with PPE, such as dust masks.
6. The factory does not provide maintenance staff with any PPE.
7. Workers working with chemicals are not equipped with proper PPE.
8. The factory does not provide embroidery workers with earplugs.
9. The factory does not provide anti-fatigue mats or rubber slippers to standing workers.
10. The factory has not established a lockout-tagout procedure.
11. About 10% of the electric wires throughout the factory are connected with repair tape.
12. About 10% of control panels do not label individual switches.
13. The grinding and drilling machines in the maintenance areas are not grounded.
14. At least two electric lights in Workshop 3 and about 10% of the lights in the Workshops 1 and 2 are broken.
15. Most of machines' operational buttons are not labeled in the local language. The SOPs posted on the fusing machines in Workshop 3 are not in the local language.
16. Needle guards are not properly installed on about 90% of the sewing machines.
17. None of the needle guards on button snapping machines worked.
18. There is no lower pulley guard on at least one sewing machine in Workshop 2 or on the air compressor in the embroidery section.
19. The pulley guard of at least one button snapping machine is not fully covered.
20. There are no machine guards on the grinding machines in the maintenance areas of each workshop.
21. The fans in the ironing section of Workshop 2 and in the maintenance warehouse are not covered.

22. The fences in the waste water treatment area are inadequate; the distance between bars is too far apart (over 1.5 meters) and therefore pose a falling risk.

Local Law or Code Requirement

Circular 04/2014/BLDTBXH. Chapter 2. Use and maintenance of personal protective equipment. Art 4, 5.3 and 6.3; Decision No. 3733/2002/QĐ-BYT, Art 6. Lighting Standard; Law No. 84/2015/QH13, Art. 13, 15 and 16; Vietnam Labor Code No.10/2012/QH13, Art 138.1.a-b; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.8, HSE.13, HSE.14, and HSE.17)

Recommendations for Immediate Action

1. Post SOPs on each machine, in the local language. Ensure the SOPs include all the safety requirements for operations.
2. Provide workers with the proper PPE.
3. Repair broken lights in the workshops.
4. Label the switches in all control panels
5. Properly connect all electric wires.
6. Ensure all operational buttons on machines are in the local language.
7. Install all necessary machine guards and pulley guards.
8. Cover fans in the ironing section of Workshop 2 and in the maintenance warehouse.
9. Ground the grinding and drilling machines in the maintenance areas.
10. Provide an adequate fence for the waste water treatment area.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. The factory will post SOPs on each machine in the local language, including on the band knife machine and hot press machine, and ensure the SOPs include all safety requirements for operations. Line managers/supervisors will also communicate this to workers.
2. The factory will post SOPs on each machine in the local language, including in the cutting section, and ensure the SOPs include all safety requirements for operations. Line managers/supervisors will also communicate this to workers.
3. The factory will continue to provide the PPE and continue to communicate the importance of using it to workers. Line manager/supervisors will also regularly check to ensure implementation.
4. The factory will continue to provide the PPE, including metal glove for use with the band knife machine, and continue to communicate the importance of using it to workers. Line manager/supervisors will also regularly check to ensure implementation.
5. The factory will provide the PPE to new workers, including dust masks, and continue to communicate the importance of using it to workers. Line manager/supervisors will also regularly check to ensure implementation.
6. The factory will provide the PPE to all workers, including maintenance staff, and continue to communicate the importance of using it to workers.
7. The factory will provide the PPE to all workers, including workers working with chemicals, and continue to communicate the importance of using it to workers.
8. The factory will provide the PPE to all workers, including earplugs to embroidery workers, and continue to communicate the importance of using it to workers.
9. The factory will provide anti-fatigue mats and/or rubber slippers to standing workers.
10. The factory has established a lockout-tagout procedure and communicate it with posters and training.
11. The factory will properly connect all electric wires.
12. The factory will label the switches in all control panels.
13. The factory will ground the grinding and drilling machines in the maintenance areas.
14. The factory will repair the broken lights in the workshops.
15. The factory will update the SOPs on all machines so they are in the local language for workers to understand, and ensure the SOPs include all the safety requirements for operations.
16. The factory will install all necessary machine guards and communicate the importance to workers.
17. The factory will install all necessary needle guards on button snapping machines and communicate the importance to workers.
18. The factory will install all necessary guards, including on the lower pulley guard machines in Workshop 2 and the air compressor in the embroidery section, and communicate the importance to workers.
19. The factory will install all necessary guards, including on the grinding machines in the maintenance areas of each workshop, and communicate the importance to workers.
20. The factory will cover fans in the ironing section of Workshop 2 and in the maintenance warehouse.
21. The factory will provide an adequate fence for the waste water treatment area.