



FAIR LABOR
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INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: VF Corporation
COUNTRY: Vietnam
ASSESSMENT DATE: 09/13/19
ASSESSOR: One Step Vietnam
PRODUCTS: Apparel
NUMBER OF WORKERS: 463

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.

FLA Code Element	Number of Violations
Compensation	1
Hours of Work	1
Employment Relationship	14
Health, Safety, and Environment	12
Nondiscrimination	1

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

The factory has 18 external security guards who work in the factory but are from two service providers. The security guards have to buy uniforms and working tools (two sets of uniform, a pair of shoes, a hat, and a necktie) with their own money at VND 500,000 (USD 21.50). The security guards are not reimbursed for this amount. The security guards pay this fee during their first year and they do not pay the second year and beyond. [ER.6]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.6)

Recommendations for Immediate Action

1. Factory should stop requesting employees to make a deposit in cash or property.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

Some production lines arrange morning meetings two to five days per week, from 7:15 to 7:20 while the official time-in is 7:20. [HOW.1] The factory has 18 external security guards and 6 external canteen staffs who work in-house in the factory and they are from two different service providers. These workers' time records are recorded without specific time-in and time-out. The manual record shows "1" for one working day. Thus, the working hours and salary information of these workers could not be fully verified. [HOW.1, C.5] Excessive monthly overtime (over 30 overtime hours per month) is found as below: In January 2019, March 2019, April 2019 and May 2019, approximately 90% of the workforce works from 30.5 – 71 overtime hours per month. In January 2019, March 2019, April 2019 and May 2019, all 6 canteen staffs from an external service provider (works in-house in the factory) work from 32 – 48 overtime hours per month. [HOW.1.1, HOW.1.3, HOW.8.3] Excessive total weekly working hours (over 60 hours per week) are found in January 2019, March 2019, April 2019 and May 2019. Approximately 90% of the workforce works from 61 – 64.5 working hours per week in 1 – 4 weeks per month. [HOW.1.3, HOW.8.3]

Local Law or Code Requirement

Vietnam Labor Law 2012, Article 106; Decree No. 45/2013/ND-CP, Article 3; FLA Workplace Code (Hours of Work Benchmarks HOW.1.1, HOW.1.3, HOW.8.1, HOW.8.3; Compensation Benchmark C.5)

Recommendations for Immediate Action

1. Factory should ensure that the time used for the morning meeting is included in paid working hours.
2. Ensure that working time for contractors is recorded accurately.
3. The monthly overtime hours shall be kept within 30 hours as legally required.
4. The weekly hours (including regular work hours plus overtime) shall be kept within 60 hours as FLA Benchmarks requirement.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

The factory has 18 external security guards who work in-house in the factory from a security service provider. However, 17 out of 18 security guards have not joined the compulsory insurance scheme as legally required. [C.1] The factory has 18 external security guards and six external canteen staff who work in-house in the factory from two service providers. The time records of these workers are recorded without specific time-in and time-out. The manual record shows "1" for one working day. Thus, the working hours and salary information of these workers could not be fully verified. [HOW.1, C.5] According to legal requirements, female employees in their menstruation period are entitled to a 30-minute break every working day. At least two interviewed workers confirmed that they are often pushed to come back to work after ten minutes of this break. Based on the clinic log, all of the workers who are in their menstruation period are provided medicine by clinic staff and came back to work after ten to fifteen minutes. [C.18]

Local Law or Code Requirement

Vietnam Labor Law 2012, Art. 6; FLA Workplace Code (Compensation Benchmarks C.1, C.5, C.18) and FLA Workplace Code (Hours of Work Benchmarks HOW.1)

Recommendations for Immediate Action

1. Factory should ensure employees all join the compulsory insurance scheme as legally required.
2. Factory should ensure that working time is recorded accurately.
3. Factory should ensure that female workers are provided a rest of 30 minutes for their menstruation period.

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

One out of the two tested fire hoses is nonfunctional. [HSE.6]

The jockey fire-fighting pumping machine did not work when tested. Note: This machine was fixed and functional on the first day of the assessment. [HSE.6]

Local Law or Code Requirement

Vietnam Standard TCVN 3890:2009, Article 8 and FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.6)

Recommendations for Immediate Action

1. Factory should ensure fire hoses are functional.
2. Factory should ensure fire-fighting pumping machines are functional.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory has one safety belt for workers who work at heights but the factory loaned this belt to another factory. Therefore, the factory did not have any safety belts at the time of the assessment. [HSE.1, HSE.7]

Two out of ten sewing workers do not wear slippers during working time. [HSE.1, HSE.8]

Two out of eight sewing workers in the safety area do not use safety glasses that are provided on the bar tacking machine during operating. [HSE.8]

The factory has not provided chairs with back support and height adjustment for sewing workers in the stitching area or in the sample room. [HSE.17]

Quality control workers are not provided with anti-fatigue mats in the stitching area. [HSE.17]

Local Law or Code Requirement

Vietnam Labor Code 2012, Art. 138; Circular No. 04/2014/TT-BLDTBXH, Art. 4; FLA Workplace Code (Health Safety and Environment Benchmark HSE.1, HSE.7, HSE.8, HSE.17)

Recommendations for Immediate Action

1. Provide a sufficient number of safety belt for workers who work at heights.
2. Worker shall wear slippers to prevent accidents or electrical shock during working time.
3. Train and ensure workers to use the machine guards to protect them from machinery risks.
4. Provide chairs with back support and height adjustment for workers who have to sit during working time.
5. Provide anti-fatigue mats for workers who have to stand during working time.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

It is noted that the factory has one ladder with a height of more than two meters for production purposes. However, four out of four wheels are not provided safety locking equipment to secure the ladder. [HSE.5]

Spider webs and spiders are found on three out of three electrical boxes in the stitching area. The factory has a checklist record for each electrical box, however there is no record of spider webs or spiders in the records. [HSE.1, HSE.13]

Local Law or Code Requirement

Law No. 27/2001/QH10 on Fire Prevention and Fighting (2001), Art. 24; FLA Workplace Code (Health Safety and Environment Benchmark HSE.1, HSE.5, HSE.13)

Recommendations for Immediate Action

1. Ensure the safety lock equipment of ladder is provided to secure the ladder in place as well as to prevent injuries or accidents.
2. Ensure that electrical boxes should be cleaned and maintained in good condition.

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

There is no secondary containment for one chemical drum in the waste water treatment area. [HSE.9]

Local Law or Code Requirement

FLA Workplace Code (Health Safety and Environment Benchmark HSE.9)

Recommendations for Immediate Action

1. Ensure secondary containment is provided for all chemicals of the factory when transporting, storing, and using.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

It is noted that the factory does not provide storage for personal items (such as: locker, etc.), therefore, the cleaning worker stores her items (including drinking water bottles, bag, etc.) in the domestic waste storage during the assessment time. [HSE.1, HSE.19]

Local Law or Code Requirement

FLA Workplace Code (Health Safety and Environment HSE.1, HSE.19)

Recommendations for Immediate Action

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

The factory does not have policy and procedure to conduct the performance review as per FLA requirement. [ER.29]

The factory does not have the following policies and procedures: promotion, demotion, job re-assignment, personnel development, and skills development. [ER.30]

Local Law or Code Requirement

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

FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The policy on personal protective equipment (PPE) does not include the distribution frequency of each type of PPE, except for medical face masks. [HSE.7]

The factory has not developed steps on how to ensure that all personnel, visitors, contractors, and service providers would be safely evacuated in case of an emergency. [ER.31]

The factory has not developed steps on how to ensure that all special categories of workers are safely evacuated. [ER.31]

The factory does not define a list of equipment and/or machines that require lockout-tagout. [HSE.14, ER.31]

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH, Article 5; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.7 and HSE.14; Employment Relationship Benchmark ER.31)

Recommendations for Immediate Action

1. The factory should define the distribution frequency of each type of PPE.
2. The factory should define list of equipment and/or machines that require lockout-tagout.

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

Although the factory maintains records of disciplinary actions and in line with local law, it does not keep these records in employee files. [ER.27]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.27)

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

The factory and union have signed a Collective Bargaining Agreement (CBA). While the factory meets the legal requirement in informing employees about the CBA, including posting on bulletin boards and informing workers through worker briefings, they do not provide workers with a copy of the CBA. [ER.16, ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16 and ER.25)

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

The suggestion boxes were locked, however, the latch of one out of two suggestion box is not fitted, therefore, the door is not fully closed. This risks losing grievance letter from workers. [ER.25]

It is noted that the factory provides two suggestion boxes for grievance channels. However, one suggestion box is installed in a public area (in front of finished goods warehouse) and is in the vicinity of a camera. [ER.25]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25)

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The fire brigade was established on September 03, 2019 with 19 members instead of 25 members as legally required. [HSE.1]

Fire-fighting pumping machines are inspected and tested twice a month instead of once a week as legally required. [HSE.6]

As observed at the time of the assessment time, the factory provides the list of contact information in emergency cases at security room (including fire policeman, hospital, etc.). However, the factory has not updated the phone number of the contacts since the local government had changed the new area code. [HSE.1]

Local Law or Code Requirement

Circular No. 66/2014/TT-BCA, Article 15; Vietnam Standard TCVN 3890:2009, Article 8; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.6)

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory uses one electrical forklift for production purposes. However, the factory does not provide warning signs for the forklift battery charging area. The signs should include no smoking signs, no naked flames, etc. to remind operators and relevant workers of hazards and risks. [HSE.1, HSE.14]

Local Law or Code Requirement

FLA Workplace Code (Health Safety and Environment Benchmark HSE.1, HSE.14)

Recommendations for Immediate Action

1. Factory should ensure to provide warning signs at forklift battery charging area to remind workers of the risks.

FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The foods samples are not kept for at least 72 hours as per international standards. They are kept for 24 hours instead, which is in compliance with local law. In addition, the cooling temperature is from 0 to 5 degree Celsius instead of equal or lower than 4 degree Celsius as applicable standard. [HSE.22]

The factory does not sample or test domestic water, which could come from underground water. [HSE.19]

Local Law or Code Requirement

The Code of Hygienic Practice for Precooked and Cooked Foods in Mass Catering, Point 7.11.3; QCVN 02:2009/BYT; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.19, HSE. 22)

Recommendations for Immediate Action

1. The factory should ensure that food samples are kept at least 72 hours with cooling temperatures equal or lower than 4 degree Celsius.
2. Factory should ensure to sample and test domestic water at least twice a year.

FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

In the supermarket area, none of the lights or fans are not turned off when not in use. [HSE.1]

Local Law or Code Requirement

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

FINDING NO.18

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

At least four out of six doors of the female toilet rooms are not provided a chain to lock from the inside, therefore, female workers could not close the door when using the toilet. [HSE.19, HSE.20]

Local Law or Code Requirement

FLA Workplace Code (Health Safety and Environment HSE.19, HSE.20)

Recommendations for Immediate Action

1. Factory should ensure that the toilet doors are in good condition and allow for privacy.