



Verification Assessment

COMPANIES: Rawlings Sporting Goods Company, Inc.

COUNTRY: Vietnam

ASSESSMENT DATE: 08/22/18

ASSESSOR: Social Compliance Services Asia

PRODUCTS: Other

NUMBER OF WORKERS: 1980

FLA Comments

This report was submitted to the FLA and the FLA affiliated company by the assessor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the risks and noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to the FLA.

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.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

The factory does not have written procedures on Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, or Grievance System. ER.1, ER.28, ER.29, ER.30, ER.19, ER.32, ER.25
The factory does not have procedures to promote workers in a fair and transparent way, based on their job performance. ER.1, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30, ER.31, ER.32,
The factory does not have written policies on Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Grievance System, or Environmental Protection. ER.1, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30, ER.32, HSE.1
The procedures for Environmental Protection do not enable workers to raise environmental concerns or report environmental emergencies, nor do they include protections for workers who allege environmental violations. HSE.1
The factory does not protect workers who raise health, safety and/or environmental concerns against retaliation. ER.31
The procedure for receiving compensation for sick leave or accident leave is not properly established. Currently, workers have to send their records to the line supervisors which is then sent to the HR staff, which leads to the delay of payment to the entitled benefits of sick leave, maternity leave, and accident leave. ER.18

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 15, Decree No. 60/2013/ND-CP, Art. 10, Art. 15; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.18, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30, ER.32; Health and Safety Benchmarks HSE.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: The factory does not have written procedures on the following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Compensation, Termination and Retrenchment, Industrial Relations and Grievance System. ER.1, ER.28, ER.29, ER.30, ER.19, ER.32, ER.25

2. Finding Status: Not Remediated

Explanation: The factory does not have procedures to promote workers in a fair and transparent way, based on their job performance.

ER.29, ER.30

3. Finding Status: Not Remediated

Explanation: The factory does not have written policies on Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Grievance System, or Environmental Protection. ER.1, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30, ER.31, ER.32, HSE.1

4. Finding Status: Not Remediated

Explanation: The factory does not have a written policy on Environmental Protection. The written procedures for Environmental Protection lack elements of (i) enabling workers to raise environmental concern, procedure for reporting environmental emergencies and protection for workers who allege environmental violations. HSE.1

5. Finding Status: Not Remediated

Explanation: The factory does not protect workers who raise health, safety and/or environmental concerns against retaliation. ER.31

6. Finding Status: Not Remediated

Explanation: The procedure for receiving compensation for sick leave or accident leave is not properly established. Currently, workers have to send their records to the line supervisors which is then sent to the HR staff, which leads to the delay of payment to the entitled benefits of sick leave, maternity leave, and accident leave. ER.18

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 15, Decree No. 60/2013/ND-CP, Art. 10, Art. 15; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.18, ER.19, ER.23, ER.25, ER.28, ER.29, ER.30, ER.32; Health and Safety Benchmarks HSE.1)

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory has not reviewed the policy and procedures for any of the Employment Functions.

The factory has not updated the policy and procedures to be in accordance with local laws and regulations for Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1.1, ER.30.2, ER.31.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on documentation review and management interview, the factory has not reviewed the policy and procedures for any of the Employment Functions. ER.1, ER.29.1.1, ER.30.2, ER.31.2

2. Finding Status: Partially Remediated

Explanation: Based on documentation and management interview, the factory has an account to update the local law on a website. However, the policy for Termination & Retrenchment, Workplace Conduct & Discipline are not updated. ER.1

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1.1, ER.30.2, ER.31.2)

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Responsibility & Accountability (Macro)

Finding Explanation

The factory has not designated a person responsible for Workplace Conduct & Discipline, Recruitment, or Personnel Development. The factory has not defined the person with ultimate responsibility of the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on the management interview, the factory has not designated a person responsible for Workplace Conduct & Discipline, Recruitment, or Personnel Development. ER.1

2. Finding Status: Remediated

Explanation: Based on management review, there is a defined person with ultimate responsibility of the factory.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

PREVIOUS FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

The factory does not provide training to supervisors on any of the Employment Functions.

The factory has not provided training to workers on Recruitment, Hiring & Personnel Development, Compensation, Termination & Retrenchment, Industrial Relations, Grievance System, or Health & Safety.

Orientation for new workers does not include information on Industrial Relations, including Freedom of Association. ER.15

Workers do not receive written documentation that substantiates all the issues covered in orientation or a copy of the workplace rules. ER.15

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.15, and ER.17)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, the factory did not provide training to supervisors on any of the Employment Functions. ER.17, ER.27

2. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, factory has not provided training to workers on Recruitment, Hiring & Personnel Development, Compensation, Termination & Retrenchment, Industrial Relations, Grievance System, or Health & Safety. ER.1, ER.15

3. Finding Status: Not Remediated

Explanation: Based on the documentation review, workers interview and management interview, orientation for new workers does not include information on Industrial Relations or Freedom of Association. ER.15

4. Finding Status: Not Remediated

Explanation: Based on the documentation review, workers interview and management interview, Workers do not receive written documentation that substantiates all the issues covered in orientation or a copy of the workplace rules. ER.15

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1.

The current hiring practice is not able to identify fake records which raises the risk of child labor. Each workshop conducts its own Recruitment & Hiring process; the people responsible are not trained on hiring policies, procedures to prevent child labor, forced labor, or nondiscrimination. ER.1, ER.4

The factory has not established a job description for any position in the factory. ER.1.1

The factory performs a tattoo check as a condition of hiring. ER.3, ND.1, ND.2

The factory does not hire candidates with dyed hair. ER.3, ND.1, ND.2

As a condition of hiring, the factory requires female workers to commit to not becoming pregnant in the first year of employment. ND.6, ND.7

Discriminatory practises is reflected on the factory's Facebook account where female sewing workers are preferred. ER.3, ND.1; ND.2 ;

The factory does not maintain a filing system for personnel files. The labor contract and disciplinary records are not kept in the personnel profiles. Also, the personnel profiles are mixed with other documents so that it took the factory significant time to provide workers' files for review. ER.2

Three of 25 personnel files, including age documents, are missing. ER.2; ER.4;

Assessors found at least three fake personnel profiles and fake age documents during the assessment. These profiles and fake age documents were used by young workers who worked in the factory last year, two of them are still working at the factory. ER.2; ER.4; CL.1; CL.4

The factory imposes a training period of at least one month instead of six days of probation for all positions in the factory, including those handling simple jobs. The factory has not established a training program for any specific position. ER.10; ER.1

The factory does not provide cleaning workers or security guards with labor contracts. ER.10, ER.11.3

The content of the labor contract signed with workers does not meet the requirements of the Decree No. 05/2015; the labor contract is still based on the now obsolete Circular No 21/2003. ER.1, ER.10

The training contract for new workers does not include a commitment to permanent employment after successful completion of training. ER.10;

The factory does not have work permits for four foreign workers. The factory said that they are in the process of applying for work permits for these workers. ER.2,

The factory does not conduct performance reviews. ER.29

Local Law or Code Requirement

Circular.No.23/2014/TT-BLDTBXH, Article 7.2 and 3 regarding to Formulation, management and use of employment logbooks; Decree No.05/2015/ND-CP, Art. 4; Decree No. 11/2016/NĐ-CP/ Art. 7 and Art. 8; Labor Code No. 10/2012/QH13 (2013), Art. 5(1), Art. 8(1), Art. 8 (4), Art. 18; Law No. 74/2014/QH13, Art. 39; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.3, ER.4, ER.10, ER.11 and ER.29; Nondiscrimination Benchmarks ND.1, ND.2, ND.6 and ND.7; Child Labor Benchmarks CL.1 and CL.4)

Recommendations for Immediate Action

1. Base hiring and recruitment decisions only on workers' qualifications. Cease any discriminatory recruitment and hiring practices.
2. Maintain personnel files properly, including age documents, labor contracts, resume, and disciplinary records. Ensure all personnel files and age documents are available for review. Keep workers' true files.
3. Establish a training program for all position and conduct a skill test to determine if workers should under go the training period or probation period upon hiring.
4. Provide all workers with a labor contract, including cleaning workers and security guards.
5. Update the content of labor contract to meet the requirements of Decree No. 05/2015.
6. Include a commitment to employment in the training contract signed with new workers.
7. Obtain work permits for foreign workers.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation: Based on the documentation review and management interview, there is no recruitment and hiring procedure established in the factory and no training has been provided. Therefore, the current hiring practice is still not able to identify fake records which raises the risk of child labor. ER.1, ER.4

2. Finding Status: Not Remediated

Explanation: Based on documentation review and management interview, there is no job description for any position in the factory. ER.1.1

3. Finding Status: Not Remediated

Explanation: Based on worker interviews, the factory still performs a tattoo check as a condition of hiring. ER.3, ND.1, ND.2

4. Finding Status: Not Remediated

Explanation: Based on worker interviews, the factory does not hire candidates with dyed hair. ER.3, ND.1, ND.2

5. Finding Status: Remediated

Explanation: Based on group and individual worker interviews, the factory does not require female workers to commit to not becoming pregnant in the first year of employment.

6. Finding Status: Remediated

Explanation: Based on worker interviews and review on Social Network, there is no evidence that the factory conducts discriminatory practices where female sewing workers are preferred for hiring on the factory's Facebook account.

7. Finding Status: Partially Remediated

Explanation: Based on documentation review and management interview, labor contracts are kept with the personnel file, but disciplinary records are not. ER.2

8. Finding Status: Remediated

Explanation: Based on documentation review, sampled personnel files were provided and properly reviewed.

9. Finding Status: Remediated

Explanation: Based on documentation review, no case of fake personnel profile was found.

10. Finding Status: Not Remediated

Explanation: Based on document review and management interview, the factory still imposes a training period of at least one month instead of six days of probation for all positions in the factory, including those handling simple jobs. The factory has not established a training program for any specific position. ER.10; ER.1

11. Finding Status: Partially Remediated

Explanation: Based on the documentation review and management interview, factory management maintain the labor contracts of th Security personnel but the contract of Canteen staff was not maintained. Currently, factory only maintained the service contract with the Food supplier. ER.10, ER.11.3

12. Finding Status: Not Remediated

Explanation: Based on documentation review, there is no update on the labor contracts of workers. The labor contract is still based on the now obsolete Circular No 21/2003 instead of meeting the requirements of the Decree No. 05/2015. ER.1, ER.10

13. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, the training contract for new workers does not include a commitment to permanent employment after successful completion of training. ER.10

14. Finding Status: Not Remediated

Explanation: Based on the documentation review, the work permit date of one foreign staff was expired on July 7th, 2018. Furthermore, the factory does not have work permits for the other four foreign workers. The factory said that they are in the process of applying for work permits for these five workers. ER.2

15. Finding Status: Not Remediated

Explanation: Based on management interview, there is no performance review conducted. ER.29

Local Law or Code Requirement

Circular.No.23/2014/TT-BLDTBXH, Article 7.2 and 3 regarding to Formulation, management and use of employment logbooks; Decree No.05/2015/ND-CP, Art. 4; Decree No. 11/2016/NĐ-CP/ Art. 7 and Art. 8; Labor Code No. 10/2012/QH13 (2013), Art. 5(1), Art. 8(1), Art. 8 (4), Art. 18; Law No. 74/2014/QH13, Art. 39; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.1.1, ER.2, ER.3, ER.4, ER.10, ER.11.3 and ER.29; Nondiscrimination Benchmarks ND.1, and ND.2)

Recommendations for Immediate Action

1. Base hiring and recruitment decisions only on workers' qualifications. Cease any discriminatory recruitment and hiring practices.
2. Establish a training program for all positions and conduct a skill test to determine if workers should undergo the training period or probation period upon hiring.
3. Provide all workers with a labor contract and update the content of labor contract to meet the requirements of Decree No.05/2015.
4. Obtain and update work permits for foreign workers.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

From the factory's regulations, the wage paid for probationary workers is 70% of the minimum wage for this position. By law, probationary workers must be paid at least 85% of minimum wage. As per FLA requirement, probationary wages should not be below the minimum wages. C.3; ER.13

The factory maintains double books for payrolls. The first payroll journal includes one hour of overtime a day, but does not include any disciplinary deductions. The second payroll journal is complete and includes the remaining overtime, Sunday work, and disciplinary deductions. The piece rate records that record piece rate payments was not provided for review. C.14, C.15 and C.16

The factory does not pay workers for time spent in monthly production meetings. C.5

For piece rate workers who are seven or more months pregnant or nursing a child less than one year old who work the legal seven hours a day, only earn by piece or are paid for only seven hours of regular working time; they should be compensated for an eight hour day. C.1 and C.5;

The hazard allowance is not provided to probationary workers working in hazardous conditions. C.3

The factory does not provide the night allowance to security guards. C.5

The factory compensates production workers insufficiently for overtime between 20:00 and 04:00 on Sundays. The factory applies a premium of 260% instead of 270% ($200\% + 30\% + 20\% \times 2$). At least one of the 25 sampled worker was compensated insufficiently for overtime worked on a Sunday night .

Piece rate workers do not receive are not compensated at a premium rate when working overtime. C.5, C.7

The factory pays the night allowance insufficiently for those working more than eight nights a month as committed in the registered company regulation and Collective Bargaining Agreement. The factory pays for night allowance at 130% while the agreed upon allowance in the CBA is 135%. ER.18, C.5, C.7

Most of the workers in the factory are working in heavy and hazardous working conditions; however, only those working on the sewing machines, rubber grinding, rolling rubbers, and printing receive the amount of annual leave days that they are entitled to. These positions receive 14 days while other workers are only provided 12 days of annual leave a year. ER.22, HOW.11,

The factory does not calculate and compensate workers who have been terminated or who resign their balance of their annual leave. ER.19

The factory does not compensate probationary workers for social insurance or annual leave into wage. ER.22, HOW.11

In kind allowance, that is required by law, is not provided to workers exposed to noisy conditions (as per the inspection December 2015); C.5, ER.22

The factory does not have a system through which workers can submit grievances or questions about compensation, nor does the factory provide protection to workers who allege violations of compensation laws, regulations and/or procedures. C.19

Local Law or Code Requirement

Circular No. 25/2013/TT-BLDTBXH, Art. 2; Decree No. 05/2015/ND-CP, Art. 25; Decree No. 45/2013/ND-CP, Art. 3; Decree No. 49/2013/ND-CP, Art. 7; Labor Code No. 10/2012/QH13 (2013), Art. 28, Art. 97, Art. 111, Art. 114, Art. 155, Art. 186; FLA Workplace Code (Employment Relationship Benchmark ER.13, ER.18, ER.19, ER.22; Hours of Work Benchmark HOW.11; Compensation Benchmarks C.1, C.3, C.5, C.7, C.14, C.15, C.16 and C.19)

Recommendations for Immediate Action

1. <!--[endif]-->Align the Compensation policy with the legal requirements.
2. <!--[endif]-->Maintain only one set of true, accurate and complete records that includes all details of hours worked and wages earned. Ensure records are available for review.
3. <!--[endif]-->Compensate workers for time in all meetings.
4. <!--[endif]-->Ensure piece rate workers who are more than seven months pregnant and workers who are currently nursing are paid for eight hours of work, rather than seven or by piece rate.
5. <!--[endif]-->The wage level of those working in heavy, hazardous and dangerous labor conditions must be at least 5% higher than normal wage; wage increment should follow the committed wage scale.
6. <!--[endif]-->Provide security guards with the night allowance.

7. <!--[endif]-->Compensate workers adequately for overtime worked on Sunday night: 270% the wage rate. Calculate all overtime hours correctly.
8. <!--[endif]-->Compensate piece rate workers at the correct premium wage rate when working overtime.
9. <!--[endif]-->Compensate those working more than eight nights a month the correct agreed upon nighttime allowance at 135%.
10. <!--[endif]-->Provide workers working in heavy and hazardous working conditions with 14 to 16 days of annual leave per year.
11. <!--[endif]-->Compensate terminated and resigned workers their annual leave balance.
12. <!--[endif]-->Pay probationary workers for their social insurance and annual leave directly into their wages (26% of wage).
13. <!--[endif]-->In kind allowance should be provided to workers exposed to the noisy condition, as required by law.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on documentation review and management interview, as mentioned in the Compensation policy and Internal Regulation, the wage paid for probationary workers is still 70% of the minimum wage for this position instead of the legal requirement of 85%. C.3; ER.13

2. Finding Status: Not Remediated

Explanation: Based on documentation review, there were discrepancies/inconsistencies noted between the time & payment records provided and information & records obtained by assessors from different channels, such as there were records showed that workers were working until 21:00pm on August 18, 2018, however, the time records provided by the factory showed that workers only worked until 17:30pm on the mentioned date. After communication with the factory management, they admitted that they hid some of workers' overtime hours and had provided the other set of payments that does not reflect excessive overtime hours. Furthermore, the factory could only provide several sampled workers' actual time records and payrolls at the end of the audit date. In view of this, actual work hour and payment of all workers cannot be fully verified at this audit.

Regarding piece-rate workers, based on the management interview and worker interview, no piece-rate workers were hired in the factory. The management also confirmed that they had never applied piece-rate basis in the facility. C.14, C.15 and C.16

3. Finding Status: Not Remediated

Explanation: At the time of assessment, the factory admitted that they have another set of attendance and payroll record after assessment team found discrepancies on the production record and presented the information to factory management. However, the factory could only provide few examples of payroll and attendance record at the end of the assessment date, thus actual work hour and wages situation of this factory cannot be accurately verified during the assessment. The original finding could not be confirmed if remediated. C.5, C.14, C.15 and C.16

4. Finding Status: Not Remediated

Explanation: Based on the management interview and worker interview, no piece-rate workers found in the factory. The management also confirmed that they had never applied piece-rate basis in the facility. However, at the time of assessment, the factory admitted that they have another set of attendance and payroll record after assessment team found discrepancies on the production record and presented the information to factory management. The factory could only provide few examples of payroll and attendance record at the end of the assessment date, thus actual work hour and wages situation of this factory cannot be accurately verified during the assessment. The original finding could not be confirmed if remediated. C.5, C.14, C.15 and C.16

5. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, the hazard allowance is not provided to probationary workers working in hazardous conditions. C.3

6. Finding Status: Remediated

Explanation: Based on the documentation review, night allowance of 30% of basic wage is provided to workers who work at night.

7. Finding Status: Not Remediated

Explanation: Based on the documentation review, security staff worked overtime from 4:00-5:30. Sunday payment was paid 215% instead

of 270%. C.7

8. Finding Status: Remediated

Explanation: Based on management interview and worker interviews, no piece-rate workers found in the factory. The management also confirmed that they had never applied piece-rate basis in the facility.

9. Finding Status: Remediated

Explanation: Based on documentation review, there is no statement in the CBA mentioning that night allowance for workers working at night is 135%. Per payroll review, workers are paid sufficiently at 130% as required by law.

10. Finding Status: Not Remediated

Explanation: Based on the documentation review, except workers working on the sewing machines, rubber grinding, rolling rubbers, and printing receive the amount of annual leave days that they are entitled to (14 days). Other workers who perform hazardous and danger jobs are only provided 12 annual leave days. ER.22, HOW.11

11. Finding Status: Remediated

Explanation: Based on documentation review, the factory did calculate and compensate workers who have been terminated or who have resigned, their balance of their annual leave.

12. Finding Status: Not Remediated

Explanation: Based on documentation review, no social insurance or annual leave was paid into wage of probationary workers. ER.22, HOW.11

13. Finding Status: Not Remediated

Explanation: In kind allowance, that is required by law, is not provided to workers exposed to noisy conditions (as per the inspection December 2015); C.5, ER.22

14. Finding Status: Remediated

Explanation: Based on documentation review and workers interview, the factory has a grievance system for workers to raise or submit questions.

Local Law or Code Requirement

Circular No. 25/2013/TT-BLDTBXH, Art. 2; Decree No. 05/2015/ND-CP, Art. 25; Decree No. 45/2013/ND-CP, Art. 3; Decree No. 49/2013/ND-CP, Art. 7; Labor Code No. 10/2012/QH13 (2013), Art. 28, Art. 97, Art. 111, Art. 114, Art. 155, Art. 186; FLA Workplace Code (Employment Relationship Benchmarks ER.13, and ER.22; Hours of Work Benchmark HOW.11; Compensation Benchmarks C.3, C.5, C.7, C.14, C.15, and C.16)

Recommendations for Immediate Action

1. Align the Compensation policy with the legal requirements.
2. Maintain only one set of true, accurate and complete records that includes all details of hours worked and wages earned. Ensure records are available for review.
3. The wage level of those working in heavy, hazardous and dangerous labor conditions must be at least 5% higher than normal wage; wage increment should follow the committed wage scale.
4. Compensate workers adequately for overtime worked on Sunday night: 270% the wage rate. Calculate all overtime hours correctly.
5. Provide workers working in heavy and hazardous working conditions with 14 to 16 days of annual leave per year.
6. Pay probationary workers for their social insurance and annual leave directly into their wages (26% of wage).
7. In kind allowance should be provided to workers exposed to the noisy condition, as required by law.

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

There is no procedure to manage overtime. ER.23.1

From the factory's regulations, the night shift hours (21:00 to 05:00) is not aligned with legal requirement (22:00-06:00) ER.1.1; HOW.1; The factory maintains two sets of time records. One record, which is maintained by the supervisors, include one hour of overtime per day and no Sunday work. The other record, includes the manual time sheets which do not include time-in and time-out, only total overtime hours. This second set of time records was not provided to assessors for review, and therefore the actual time-in and time-out of individual workers could not be verified. ER.2, ER.23 HOW.1

The manual time records obtained on the work floor showed excessive daily, weekly, and monthly overtime. Daily overtime is up to six hours; weekly overtime is up to 41 hours; and monthly overtime is up to 135 hours. HOW. 1, HOW.8;

The factory did not guarantee a day of rest (24 consecutive hours) for every seven-day period for 90% of workers in December 2015, August 2016, and April 2016. They had only one or two days of rest during those months. HOW.2;

The factory does not maintain time records for either security guards or cleaners. These workers do not record their time in and time out; HR records all working times for cleaners and security guards. ER.23 and HOW.1

Elderly and young workers work excessive regular working hours. They are currently working eight hour a day, 48 hours a week. Elderly workers should work only seven hours a day and young workers should only work eight hours a day, 40 hours a week. HOW.1, HOW.4;

The factory does not arrange a sufficient break between shifts for security guards; the security guards get a seven hour break rather than 12 for an eight hour shift, in which they usually work overtime. HOW.1

The factory does not provide female workers with a menstruation break, as legally required. HOW.1, HOW.3

Overtime is not voluntary. Workers must get approval from their supervisors and line leaders to refuse overtime. Without approval, they must work overtime. Worker interviews revealed that it is hard to get approval, especially during peak seasons or near shipment dates. If workers do not have approval for leave, security guards do not allow them to leave the premises. F.8; HOW.8

Local Law or Code Requirement

Circular No. 54/2015/TT-BLĐTBXH, Art. 6 and Art.7; Decree No. 45/2013/ND-CP, Art. 3; Decree No. 85/2015/ND-CP, Art. 7; Labor Code No. 10/2012/QH13 (2013), Art. 8(3), Art. 105, Art. 106, Art. 109, Art. 110, Art. 163 (2)(3); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.23; Hours of Work Benchmark HOW.1, HOW.2, HOW.3, HOW.4, and HOW.8)

Recommendations for Immediate Action

1. <!--[endif]-->Align company regulations relating to working hours, including hours of the night shift, with the legal requirements.
2. <!--[endif]-->Maintain only one set of time records. Ensure workers record their own working hours, not supervisors.
3. <!--[endif]-->Ensure daily overtime hours do not exceed four hours, monthly overtime hours do not exceed 30 hours and weekly working hours do not exceed 60 hours.
4. <!--[endif]-->Ensure workers have one day of rest (24 consecutive hours) for every seven-day period.
5. <!--[endif]-->Ensure security guards and cleaners are recording their own working time, not HR.
6. <!--[endif]-->Ensure elderly workers work only seven hours per day. Ensure underage workers (workers between the ages of 15 and 18 years) do not exceed eight hours a day and 40 hours a week.
7. <!--[endif]-->Arrange shifts for security guards to ensure they have 12 hours of rest between shifts.
8. <!--[endif]-->Grant female workers 30 minutes of paid menstruation breaks at least three days each month; the length of time off shall be agreed on between the workers and the factory according to the need of the workers.
9. <!--[endif]-->Ensure overtime is voluntary.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: There is no procedure to manage overtime. ER.23.1

2. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, per mentioned in the Internal Regulation, the night shift hours (20:00 to 07:00) is not aligned with legal requirement (22:00-06:00). ER.1.1; HOW.1;

3. Finding Status: Not Remediated

Explanation: Based on the documentation review, the factory still maintains two sets of time records. Hence, workers' actual payment record could not be verified (please see previous finding for more details). ER.2, ER.23 HOW.1

4. Finding Status: Not Remediated

Explanation: Based on the documentation review, inconsistencies were found during the assessment. Hence, workers' actual work hour could not be verified. Based on the records available, 90% of workers' daily overtime ranges from three to four hours, 10% of workers' daily overtime ranged from five to seven hours in July 2018. Maximum weekly working hours exceeded 60 hours per week, and reached 90 hours in July 2018 for about 10-20% of workers. HOW. 1, HOW.8;

5. Finding Status: Not Remediated

Explanation: Based on the documentation review, the inconsistencies were found during the assessment, hence, workers' actual work hour and payment status could not be verified. The factory still does not guarantee a day of rest (24 consecutive hours) for every seven-day period. The average consecutive working days ranged from 13 to 22 days, with 10% of workers working a maximum of 27 days from July 9 to August 4th 2018. HOW.2

6. Finding Status: Partially Remediated

Explanation: Based on management interview, security staffs have their own swipe card to record working hours; however, the factory did not keep the time records of Canteen workers. ER.23, HOW.1

7. Finding Status: Remediated

Explanation: Based on documentation and management interview, no elderly and young workers are working in the factory.

8. Finding Status: Not Remediated

Explanation: Based on documentation and management interview, the factory does not arrange a sufficient break between shifts for security guards; the security guards get a seven-hour break rather than 12 for an eight-hour shift, in which they usually work overtime. HOW.1

9. Finding Status: Remediated

Explanation: Workers stated that they were provided a menstruation break, as legally required.

10. Finding Status: Remediated

Explanation: Workers stated that they can accept or deny overtime voluntarily and no worker expressed concern over asking for overtime.

Local Law or Code Requirement

Circular No. 54/2015/TT-BLĐTBXH, Art. 6 and Art.7; Decree No. 45/2013/ND-CP, Art. 3;

Decree No. 85/2015/ND-CP, Art. 7; Labor Code No. 10/2012/QH13 (2013), Art. 8(3), Art. 105, Art. 106, Art. 109, Art. 110, Art. 163 (2)(3); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.1.1, ER.2, and ER.23; Hours of Work Benchmark HOW.1, HOW.1.1, HOW.2, and HOW.8)

Recommendations for Immediate Action

1. Align company regulations relating to working hours, including hours of the night shift, with the legal requirements.
2. Maintain only one set of time and payroll record.
3. Ensure daily overtime hours do not exceed four hours, monthly overtime hours do not exceed 30 hours and weekly working hours do not exceed 60 hours.
4. Ensure workers have one day of rest (24 consecutive hours) for every seven-day period.
5. Ensure cleaners are recording their own working time. Maintain all the records.
6. Arrange shifts for security guards to ensure they have 12 hours of rest between shifts.

PREVIOUS FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The severance allowance, including last month's wage and unused annual leave, is not paid to terminated or resigned workers or those resigned. The severance allowance is never paid to the worker. The amount of the last month of wages and unused annual leave is paid but not within 7 days. ER.19, C.1, C.4
2. The factory does not have policy or procedure to ensure consultation meetings with workers or union representatives before management reaches any final decision on layoffs. ER.32

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 14; Labor Code No. 10/2012/QH13 (2013), Art. 48; FLA Workplace Code (Employment Relationship Benchmarks ER.19 and ER.32; Compensation Benchmarks C.1 and C.4)

Recommendations for Immediate Action

1. <!--[endif]-->Pay out all severance allowance to workers in a timely manner, as aligned with legal requirements.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation: Based on the documentation review and management interview, management stated that they had already made the severance payment to all workers who worked until December 31, 2008 and provided several documents of the payment. However, the factory could not provide the evidence of the severance payment made to 50% of the sampled resigned workers from that time. From 2009 onwards, severance payment has been covered by the unemployment insurance scheme under the government. The unused annual leave was confirmed to be paid within 7 days of resignation. ER.19, C.1, C.4

2. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, there is no policy or procedure to ensure consultation meetings with workers or union representatives before management reaches any final decision on layoffs. ER.32

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 14; Labor Code No. 10/2012/QH13 (2013), Art. 48; FLA Workplace Code (Employment Relationship Benchmarks ER.19 and ER.32; Compensation Benchmarks C.1 and C.4)

Recommendations for Immediate Action

1. Maintain all documentation on severance payment and pay out all severance allowance to workers in a timely manner, as aligned with legal requirements.

PREVIOUS FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

In 2015, there was a strike at the factory due to poor food quality in the Canteen. The factory investigated and asked the catering service provider to improve the quality of the food provided. However, the result was not recorded or communicated to the workers. ER.16 The factory has a trade union which was established in 2012 under the Vietnam General Confederation of Labor (VGCL). However, there is no proof that workers were involved in the Labor Union Election. The factory did not provide evidence that union representatives were democratically elected. Furthermore, the Chairman of the Labor Union is also the factory's Human Resource Manager. FOA.11, ER.26 The term of the labor union representative was from 2012 to 2015; however, the factory has not organized the Labor Union Conference to elect new Labor Union Representatives. Labor Union Representatives said that they asked the Labor Union Federation to extend the term of the current Labor Union Representative to 2017, but there is no proof of approval from the province's Labor Union Federation. FOA.11 The factory provides a meeting room for the union upon request, but there is no designated office with the necessary equipment for the union to conduct daily meetings or for the union representatives to perform their functions. FOA.15 The factory does not provide workers with a copy of the Collective Bargaining Agreement (CBA). ER.16 The factory has not conducted a dialogue meeting between worker representatives and management. ER.25 The factory does not post factory regulations, the wage scale, the CBA, or conference meeting minutes on the work floor, as legally required. ER.2

FLA Comment: Vietnam has not ratified ILO Conventions 87 or 98. Under Vietnamese law, all unions are required to affiliate with the single trade union, the Vietnam General Confederation of Labor (VGCL), which is affiliated with the Communist Party. With respect to such union monopolies, the ILO Committee on Freedom of Association has stated that "the rights of workers to establish organizations of their own choosing implies . . . the effective possibility of forming . . . [trade unions] independent both of those which exist already and of any political party." Vietnam's legal framework is therefore not compatible with the ILO Principles on Freedom of Association and, as such, all factories in Vietnam fail to comply with the FLA Code standard on Freedom of Association. FOA.2

Local Law or Code Requirement

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; Labor Code No. 10/2012/QH13 (2013), Art. 65; FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.16, ER.25 and ER.26; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.11 and FOA.15)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation: Based on the documentation review, there is no policy and procedures for emergency case handling which includes the process to handle strikes. Based on management interview, the factory management has not conducted any survey on workers satisfaction with the meal quality before or after the strike. Through employee interviews, workers confirmed that there was a complaint

about the food, factory has followed the issue and no further complaints from the employees. ER.16

2. Finding Status: Not Remediated

Explanation: Based on the management interview, there is no change in the Labor Union. Besides, based on the documentation review, the factory could not provide the document of the Union election for review. FOA.11, ER.26

3. Finding Status: Partially Remediated

Explanation: Based on the documentation review and Labor Union representative interview, the new Labor Union was established in 2017 for the term of 2017-2022. However, there is no designated office with the necessary equipment for the union to conduct daily meetings or for the union representatives to perform their functions. FOA.15

4. Finding Status: Not Remediated

Explanation: Based on the employee interview, the factory does not provide workers with a copy of the Collective Bargaining Agreement (CBA). ER.16

5. Finding Status: Remediated

Explanation: based on the documentation review, the dialogue meetings with workers were conducted quarterly.

6. Finding Status: Not Remediated

Explanation: Based on the management interview and observation at the work floor, the factory does not post factory regulations, the wage scale, the CBA, or conference meeting minutes on the work floor as legally required. ER.2

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; Labor Code No. 10/2012/QH13 (2013), Art. 65; FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.16, and ER.26; Freedom of Association Benchmarks FOA.11 and FOA.15)

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

A leaving card is required when workers need a toilet break, water break or clinic visit. Only on card is allocated for each production line increasing the difficulty of workers to obtain these cards. F.4, H/A.7;

The factory imposes monetary penalties, for example, workers have been penalised for smoking in Workshops 1 and 2. Workers could either be fined or terminated. From the actual payroll, disciplinary deductions are reflected. A worker can be fined from 200,000 VND (8.8 USD) upwards, depending on the violation. ER.27, H/A.1, H/A.2;

The factory does not conduct a disciplinary meeting for disciplinary cases, nor is the labor union or another third party a witness in the disciplinary case. ER.27, ER.26

The factory does not follow the factory's regulations on disciplinary practices for termination. For example, in practice if a worker leaves without permission three times in a month, it will result in termination. However, as per the factory's own regulation, termination will occur after five days of leaving without permission in a month. ER.27

As per the company regulation, a suspension of wage increases is one of the possible disciplinary measures. ER.27, H/A.2

As reported through worker interviews, there are regular incidents of verbal abuse from one Production Manager towards workers and supervisors. Furthermore, there is no system to discipline supervisors, managers, and workers who engage in harassment or abuse. ER.17; H/A.1; H/A.5; H/A.8 H/A.11;

There is no procedure for workers to appeal disciplinary actions taken against them. ER.27

The factory does not maintain records of disciplinary actions in workers' personnel files. ER.2, ER.27

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 30 and 31; Labor Code No. 10/2012/QH13 (2013), Art. 8(3), 101, and 126; Law No. 38/2013/QH13 on EMPLOYMENT (2013), Art. 9; FLA Workplace Code (Employment Relationship Benchmarks ER.17 and ER.27; Harassment & Abuse Benchmarks H/A.1, H/A.2, H/A.5, H/A.8, and H/A.11)

Recommendations for Immediate Action

1. Discontinue the practice of giving workers leaving cards to use facilities such as the toilet. Provide workers with free access to the toilets, drinking water, and the clinic.
2. Cease use of monetary fines as a means to maintain discipline.
3. Conduct disciplinary meetings and record the meeting minutes. Ensure there is a witness from the labor union present at disciplinary meetings. Disciplinary practices should be aligned with the factory's regulations.
4. Cease suspensions of wage increases as a disciplinary measure.
5. Cease any form of verbal abuse, including screaming, yelling and use of insulting language as a means to maintain discipline.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: Based on the group and individual employee interview, workers stated that there was no leaving card applied for toilet break, water break or clinic visit. They are allowed to have toilet break, water break or clinic visit at any time as they wish.

2. Finding Status: Not Remediated

Explanation: Based on the documentation review and worker interview, the factory imposes monetary penalties, for example, workers have been penalised for smoking in Workshops 1 and 2. Workers could either be fined or terminated. From the actual payroll, disciplinary deductions are reflected. A worker can be fined from 200,000 VND (8.8 USD) upwards, depending on the violation. ER.27, H/A.1, H/A.2;

3. Finding Status: Remediated

Explanation: Based on the management interview and documentation review, there are several disciplinary meeting minutes with Labor Union representative attended were provided for review.

4. Finding Status: Remediated

Explanation: Based on the documentation review, the factory follows its internal regulations on termination and has not terminated workers based on other actions.

5. Finding Status: Not Remediated

Explanation: Based on the documentation review, a suspension of wage increases is one of the possible disciplinary measures as mentioned in the Internal Regulation. ER.27, H/A.2

6. Finding Status: Partially Remediated

Explanation: Based on the employee interview, workers stated that there was no verbal abuse from the management in the factory. However, based on documentation review, there is no policy or procedure on the Non-harassment and Abuse established in the factory or system to discipline supervisors, managers, and workers who engage in harassment or abuse ER.17; H/A.1; H/A.8 H/A.11

7. Finding Status: Not Remediated

Explanation: Based on the documentation review, there is no procedure for workers to appeal disciplinary actions taken against them. ER.27

8. Finding Status: Not Remediated

Explanation: Based on the documentation review, factory does not maintain records of disciplinary actions in workers' personnel files. ER.2, ER.27

Local Law or Code Requirement

Decree No. 05/2015/ND-CP, Art. 30 and 31; Labor Code No. 10/2012/QH13 (2013), Art. 8(3), 101, and 126; Law No. 38/2013/QH13 on EMPLOYMENT (2013), Art. 9; FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.17 and ER.27; Harassment & Abuse Benchmarks H/A.1, H/A.2, H/A.8, and H/A.11)

Recommendations for Immediate Action

1. Cease use of monetary fines as a means to maintain discipline.
2. Cease suspensions of wage increases as a disciplinary measure.
3. Maintain the disciplinary record at the workers' personnel files.

PREVIOUS FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

Workers do not trust the suggestion boxes when raising complaints as they think their grievances will not be resolved. Workers take their concerns directly to their line leaders as mentioned from the management interview and confirmed in worker interviews. However, the factory does not record grievances and their resolutions. ER.2

In 2015, there was a wild cat strike due to the poor food quality in the canteen, however, the results of the investigation were not

recorded or communicated to workers, even though the dispute was resolved.

Local Law or Code Requirement

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

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation: Based on documentation review and management interview, there is no records for opening suggestion box or policy and procedures on checking suggestion box regularly. Through the employee interview, workers state that they have no complaint on the current grievance system in place. ER.2

1. Finding Status: Partially Remediated

Explanation: Based on documentation review, there is no policy and procedures of emergency case handling which includes the process to handle strikes. Based on management interview, the factory management did not conduct any sort of survey on worker satisfaction with the meal quality before or after the strike. Through employee interview, workers confirmed that there was a complaint about the food, however, the factory has followed up on the issue and there are no further complaints from the employees. ER.1, ER.25

Local Law or Code Requirement

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

Recommendations for Immediate Action

1. Maintain the records for opening suggestion box.

PREVIOUS FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

Hazardous waste is not separated from household waste in the screen printing area. HSE.1

Empty chemical drums are kept outside, unsheltered. HSE.1

Hazardous waste is not separated or labelled in the waste storage area. HSE.1, HSE.9

In the label washing area, the tap is not turned off and water is constantly flowing when not in operation.

The factory has not conducted a drill for environmental emergencies. HSE.5

In the chemical warehouse, a solvent drum is stored without a cover. HSE.9

There is no waste water treatment facility. As per the environment report on June 2016, five out of eight quality criteria of waste water generated by the factory do not comply with the legal requirement. HSE.1, HSE.9

Hazardous waste, such as broken lights and an empty chemical drum, is not separated in the waste storage area. HSE.1

Local Law or Code Requirement

Circular No. 36/2015/TT-BTNMT, Appendix 2 (A); Decree No. 38/2015/ND-CP, Art. 15 and Art. 37; Law No. 06/2007/QH12 on Chemicals (2007), Art. 35 and 37; Law No. 10/2012/QH13 (2013), Art. 140; Law No. 17/2012/QH13 on Water Resources (2012), Art. 49; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety and Environment Benchmarks HSE.1, HSE.5 and HSE.9)

Recommendations for Immediate Action

1. Separate and label hazardous waste in the screen printing area and the waste storage area.
2. Cover the solvent drum stored in the chemical warehouse .
3. Separate all hazardous waste in the waste storage area.
4. Install a waste water treatment system as prescribed by law.
5. Train workers to save water and turn off taps when not in use.
6. Conduct an environmental emergency drill.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, used tanks of paint were not separated from the solid waste in the waste storage. HSE.1

2. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, empty chemical drums are kept outside instead of separately storing in the proper area with cover. HSE.1

3. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, empty paint tanks are not labelled and separated in the waste storage area. HSE.1, HSE.9

4. Finding Status: Remediated

Explanation: Based on the observation at the facility, water tap was repaired and turned off completely when not in used.

5. Finding Status: Not Remediated

Explanation: Based on the documentation review and management interview, no drill for environmental emergency was conducted at the facility. HSE.5

6. Finding Status: Remediated

Explanation: Based on the observation at the facility, the solvent drums in warehouse were properly covered.

7. Finding Status: Partially Remediated

Explanation: Based on the observation at the facility and management interview, there is no water treatment plant built in the facility. However, water generated by the factory is now compliant with legal requirements. HSE.1, HSE.9

8. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, used tanks of paint were not separated from the solid waste. HSE.1

Local Law or Code Requirement

Circular No. 36/2015/TT-BTNMT, Appendix 2 (A); Decree No. 38/2015/ND-CP, Art. 15 and Art. 37; Law No. 06/2007/QH12 on Chemicals (2007), Art. 35 and 37; Law No. 10/2012/QH13 (2013), Art. 140; Law No. 17/2012/QH13 on Water Resources (2012), Art. 49; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5 and HSE.9)

Recommendations for Immediate Action

1. Separate and label hazardous waste in the screen printing area and the waste storage area.
2. Separate all hazardous waste in the waste storage area.
3. Install a waste water treatment system as prescribed by law.
4. Conduct an environmental emergency drill.

PREVIOUS FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not conducted training on Health & Safety to supervisors and managers. ER.1, HSE.8
2. The factory does not communicate the Health & Safety policy and procedures to the 229 subcontracted workers. ER.1.

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH on Guiding Implementation of Regulations on Personal Protective Equipment (2014), Art. 5; Decree No. 39/2016/ND-CP Detailing the Implementation of Some Articles of the Law on Occupational Safety and Sanitation (2016), Art. 7; Law no. 84/2015/QH13, Art. 7; (Employment Relationship Benchmark ER.1; Health, Safety, and Environment HSE.1 and HSE.8)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: Based on the documentation review, supervisors and managers were trained on Health and Safety as required by law.

2. Finding Status: Not Remediated

Explanation: The factory does not communicate the Health & Safety policy and procedures to the 229 subcontracted workers. ER.1.

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH on Guiding Implementation of Regulations on Personal Protective Equipment (2014), Art. 5; Decree No. 39/2016/ND-CP Detailing the Implementation of Some Articles of the Law on Occupational Safety and Sanitation (2016), Art. 7; Law no. 84/2015/QH13, Art. 7; (Employment Relationship Benchmark ER.1)

PREVIOUS FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory locks the exits in the accessory warehouse during the lunch break. HSE.5

An exit that leads to outside in the chemical mixing area is blocked by pallets of chemical bags. HSE.5

None of the exits in Workshop 1 or 2 open outwards; all the exits are either rolling or sliding doors. HSE.5

There are narrow exit doors, about 50 to 60 cm wide, on the cages used to store balls, while workers are working inside. HSE.5

The aisles are blocked in the thread glueing, ball steaming, cutting, and latex sections. HSE.5

The automatic fire alarm has never been inspected.

The back up power source for the automatic fire alarm is not functioning. During the assessment there was system failure as the control panel showed that there were cases of fire in Workshop 1 and 3, but the alarms were not triggered. HSE.5

There are different sounds for the fire alarm systems throughout the factory, which can lead to confusion in the event of a fire. HSE.5

The factory has not installed red flashing lights in the noisy areas of Workshops 1 and 2. HSE.5

The fire hose in the steaming area was blocked by a table and chair. HSE.6

None of the four sampled emergency lights (two in Workshop 3 and one in Workshop 1 and one in Workshop 2) functioned when tested. HSE.5

There is a missing emergency light and exit sign in the maintenance area. HSE.5

There is no "No Smoking" sign in the production area where flammable chemicals are used. HSE.5

Some aisles in Workshop 3 are missing arrows leading to the nearest exit. HSE.5

The factory does not have a sprinkler system. HSE.5

The factory does not perform regular maintenance on the smoke detectors, as required by law. HSE.5

The factory has not conducted a fire drill during the night shift. HSE.5

The factory does not adequately control smoking on the premises; workers smoke in the toilets. HSE.5

There are finished goods and leather located close to the electrical wire and control panel in cutting section of Workshop 3. HSE.5

The electric appliances in the workshops and chemical storage area, where the levels of flammable chemical fumes are high, are not anti-sparking or anti-explosive. HSE.5

The factory does not train workers who have specific, additional responsibilities in responding to emergencies. HSE.5

Local Law or Code Requirement

Circular No. 66/2014/TT-BCA, Art. 5, Art. 12; Decision 2726/BKHCN, Art 5.1; Decision No.2726/QD-BKHCN (2009), Art. 10.1.4, Art. 10.1.5; Decision No. 2726.BKHCN, 10.2.1, 10.2.2; TCVN 3890:2009, Art 7 (1.1); Law No. 27/2001/QH10, Art. 14 and 25(2); TCVN 2622, Art. 7.5; TCVN 5738:2001 on Automatic Fire Alarm System – Technical Requirements (2001), Art. 6.9; TCVN 7435-1:2004, Art. 5; Vietnam Standard: TCVN 2622:1995, Art 7.1, Art 7.17; TCVN 7435-1:2004, Art 5; FLA Workplace Code (Health Safety and Environment Benchmarks HSE.1, HSE.5, HSE.6)

Recommendations for Immediate Action

1. Post a "no smoking" sign in workshops and in the production area, wherever flammable chemicals are used.
2. Keep exits unlocked during working hours.
3. Realign or replace exit doors to ensure they open outward and are wide enough, as prescribed.
4. Keep all aisles clear in the event of an evacuation.
5. Inspect automatic fire alarms regularly.
6. Maintain the backup power source for the automatic fire alarm.
7. There should only be one type of sound maintained for the fire alarm so that it could be recognized immediately when there is a fire.
8. Store leather and finished goods at an adequate distance from the electrical wire and control panel.

9. Ensure the electrical appliances in the workshops are anti-sparking and anti-explosive.
10. Red flashing lights should be equipped in the noise area.
11. Keep fire equipment unobstructed and accessible.
12. Inspect emergency lights regularly to ensure they are functioning.
13. Equip emergency light and exit sign at the maintenance area.
14. Place exit arrows in the aisles of Workshop 3.
15. Install a sprinkler system throughout the entire factory.
16. Inspect the smoke detectors at least twice a year, as required by law.
17. Conduct a fire drill during night shifts.
18. Monitor for smoking throughout the factory. Train workers on the importance of not smoking in the factory.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: Based on the observation at the facility, during the assessment day, no designated exit door was locked.

2. Finding Status: Remediated

Explanation: Based on the observation at the facility, the exit in the chemical mixing area was not blocked during the assessment day.

3. Finding Status: Remediated

Explanation: Based on the observation at the facility, all visited exit doors were opened outward to the exit routes.

4. Finding Status: Remediated

Explanation: Based on the observation at the facility, no worker is found working in the cage.

5. Finding Status: Remediated

Explanation: Based on the observation at the facility, aisles were not blocked in the thread gluing, ball steaming, cutting, and latex sections.

6. Finding Status: Remediated

Explanation: Based on the observation at the facility and documentation review, the fire alarm has been inspected monthly with documented report.

7. Finding Status: Remediated

Explanation: Based on the observation, the back up power source for the automatic fire alarm and control panel showed that there were case of fire is functioning.

8. Finding Status: Remediated

Explanation: Based on the observation at the facility, the sounds for different purpose were recognizable.

9. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, red flashing lights have not been installed in the noisy areas of Workshops 1 and 2. HSE.5

10. Finding Status: Remediated

Explanation: Based on the observation at the facility, no fire hose was blocked during the assessment day.

11. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, several emergency lights and exit signs did not function properly, such as the ones at the canteen, material warehouse, etc. HSE.5

12. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, no emergency light and exit sign was installed in the maintenance area. HSE.5

13. Finding Status: Not Remediated

Explanation: There is no "No Smoking" sign in the production area where flammable chemicals are used. HSE.5

14. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, several direction arrows were faded in the workshops. HSE.5

15. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, no sprinkler system was installed in the workshops and warehouse. HSE.5

16. Finding Status: Not Remediated

Explanation: Based on the observation at the facility and management interview, no regular maintenance on the smoke detectors was conducted. HSE.5

17. Finding Status: Remediated

Explanation: Based on the documentation review, the fire drill was conducted for the night shift during the internal evacuation drill.

18. Finding Status: Remediated

Explanation: Based on the observation at the facility, there is a place for smoking where nearby the security station.

19. Finding Status: Remediated

Explanation: Based on the observation at the facility, materials and finished goods were not located nearby the electrical wire and control panel.

20. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, anti-sparking or anti-explosive electric appliances were not used in the chemical storage. HSE.5

21. Finding Status: Remediated

Explanation: Based on the documentation review and management interview, the Fire fighting team members were trained in 2017.

Local Law or Code Requirement

Circular No. 66/2014/TT-BCA, Art. 5, Art. 12; Decision 2726/BKHCN, Art 5.1; Decision No.2726/QĐ-BKHCN (2009), Art. 10.1.4, Art. 10.1.5; Decision No. 2726.BKHCN, 10.2.1, 10.2.2; TCVN 3890:2009, Art 7 (1.1); Law No. 27/2001/QH10, Art. 14 and 25(2); TCVN 2622, Art. 7.5; TCVN 5738:2001 on Automatic Fire Alarm System – Technical Requirements (2001), Art. 6.9; TCVN 7435-1:2004, Art. 5; Vietnam Standard: TCVN 2622:1995, Art 7.1, Art 7.17; TCVN 7435-1:2004, Art 5; FLA Workplace Code (Health Safety and Environment Benchmark HSE.5)

Recommendations for Immediate Action

1. Post a “no smoking” sign in workshops and in the production area, wherever flammable chemicals are used.
2. Install the red flashing lights in the noisy areas of Workshops 1 and 2.
3. Ensures the emergency lights and exit signs were functioned properly.
4. Equip the emergency light and exit sign at the maintenance area.
5. Mark the direction arrows clearly in the workshops.
6. Install the sprinkler system in the workshops and warehouse.
7. Conduct regular maintenance on the smoke detectors.
8. Install anti-sparking or anti-explosive electric appliances in the chemical storage.

PREVIOUS FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

The factory has not established or implemented a lockout-tagout procedure for machine maintenance. HSE.14

None of the SOPs for machines include safety requirements or warning signs. HSE.14

One of three rubber grinding machines do not have a machine guard during operation. Machines guards and pulley guards are missing at rubber cutting machines, the rubber rollers, threading and gluing machines. The latex machines do not have machine guards. HSE.14

Machine indicators and control panels for the machines are not labeled in the local language. HSE.14

The bladder pressing machines and cutting machines are currently operated by two persons on both sides instead of one person on one side.

Improper emergency shutdown button equipped on the bladder pressing machines. The machine did not release when the emergency shutdown buttons were triggered. The emergency shutdown buttons were modified and now does not function properly on all bladder steaming machines.

The emergency shut down button is missing on all ball steaming machines.

Thirty percent (30%) of sewing machines do not have either upper or lower pulley guards; 50% of sewing machines are missing needle guards or the needle guards are placed too high to be effective. HSE.14

The two forklift drivers do not have operational licenses. HSE.4

One out of two forklifts is missing back mirrors. HSE.14

The factory does not provide the workers with the following proper personal protective equipment (PPE):

- a. The masks provided to workers exposed to dust are medical masks, rather than dust masks. These workers are in the chemical weighing area, the rubber & chemical mixing & grinding area, the rubber milling area, the bladder steaming area, and the printing section;
- b. Anti-chemical gloves to workers exposed to chemicals in areas such as the chemical mixing area, chemical dipping area, glueing, screen printing, and painting.
- c. Cotton gloves or safety shoes to cutting operators;
- d. Gloves to workers who dip rubber sheets into chemicals and who work on rubber roller machines are cotton gloves rather than anti-chemical gloves;
- e. Gloves, earplugs and safety shoes to workers in the rubber grinding, mixing area, and cutting areas;
- f. Rubber gloves and boots to workers working in the ball leakage testing area or the label unsticking area, in the wet and slippery working condition.
- g. Respirators to workers who are exposed to glue, paint, and solvents with anti-chemical gloves or respirators. HSE.7

h. Insulated shoes to electricians and maintenance men.

The factory does not have proper eyewash stations. The current eyewash stations are handmade, and not certified. The water stream direction is not set-up for eye flushing, but directly splashes into the face. Furthermore, there is no floor drain for the water, which presents a slipping hazard. HSE.6, HSE.9

There is no dust control system in Workshop 1, where dust is discharged from most of the production process. HSE.13

The factory does not maintain a record of its PPE provision to workers. ER.31

Exposed wires of welding machines are placed on the ground. HSE.13

The individual switches on the electricity control panels are not labeled. HSE.13

Electric wires in the molding room are connected using adhesive tape. HSE.13

None of the machines in the Workshops 1 and 2 or the sewing machines in Workshop 3 are grounded. HSE.13

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH, Art. 4, Art. 5 and Art. 6; Labor Code No. 10/2012/QH13 (2013), Art. 138; Labor Code of Vietnam, Art. 138; Law No. 27/2001/QH10 on Fire Prevention and Fighting (2001), Art. 24(2)(3); Law No. 84/2015/QH13, Art. 13, Art.15, Art. 16, Art. 23 and Art.28; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.31; Health, Safety, and Environment Benchmarks HSE.1; HSE.4, HSE.6, HSE.7; HSE.8; HSE.13; HSE.14; HSE.15)

Recommendations for Immediate Action

1. Establish and implement a lockout-tagout procedure for the entire factory.
2. Ensure the bladder pressing machines and cutting machines are only operated by one person.
3. Obtain operational licenses for forklift drivers.
4. Equip all forklifts back mirrors.
5. Ensure all machines have the appropriate machine guards and functioning emergency shutdown buttons.
6. Label all machine indicators and control panels attached on machines in the local language.
7. Include safety instructions and warning signs in all machine SOPs.
8. Provide the appropriate PPE to all workers and train workers on its use and importance. This includes:
 - a. respiratory protective equipment (RPE) to workers exposed to dust in the chemical weighing area, rubber & chemical mixing & grinding area, the rubber milling area, the bladder steaming area, printing section.
 - b. cotton gloves, safety shoes, and earplugs to workers on die-cutting machines, rubber rolling machines, rubber grinding & mixing machines, and rubber sheet cutting machines.
 - c. Chemical-resistant glove to workers exposed to chemicals, paints, and solvents
 - d. Rubber gloves and boots to workers working in the ball leakage testing area and the label unsticking area, or other wet and slippery working conditions
 - e. Gloves, eye protection, and respirators for workers exposed to glue, paints, and/or solvents
 - f. Insulated shoes to electricians and maintenance men.
9. Maintain the records of PPE provision.
10. Equip the chemical mixing and rubber grinding areas with a dust control system.
11. Ground all machines and cover all electric wires.
12. Label the individual switches in the control panels, in the local language.
13. Discontinue using the adhesive tape to connect electric wires; use proper methods.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Remediated

Explanation: Based on the documentation review, there is a lockout-tagout procedure for machine maintenance.

2. Finding Status: Remediated

Explanation: Based on the observation at the facility, the SOPs for machines include the safety requirements and warning signs.

3. Finding Status: Partially Remediated

Explanation: Based on the observation at the facility, all rubber grinding machines have a machine guard but 20% of the sewing machines are missing pulley guards. HSE.14

4. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, 30% of the machines' indicators and control panels were not labeled in local language. HSE.14

5. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, the bladder pressing machines and cutting machines are currently operated by two

persons on both sides instead of one person on one side. HSE.14

6. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, emergency shutdown button was not equipped properly on the bladder pressing machines. HSE.14

7. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, emergency shutdown button was not equipped properly on all machines. HSE.14

8. Finding Status: Partially Remediated

Explanation: Based on the observation at the facility, around 20% sewing machines do not have either upper or lower pulley guards. All machines now have needle guards. HSE.14

9. Finding Status: Not Remediated

Explanation: Based on the documentation review, 2 out of 3 fork-lift drivers do not have the operational licenses as required by law. HSE.4

10. Finding Status: Remediated

Explanation: Based on the observation at the facility, back mirrors are equipped on the forklifts.

11. Finding Status: Not Remediated

Explanation: The factory does not provide the workers with the following proper personal protective equipment (PPE):

a. The mask provided to workers were not appropriate. For example, the mask provided to workers exposed to dust are medical masks, rather than dust masks.

b. Anti-chemical gloves to workers exposed to chemical in the facility, such as the chemical mixing area.

c. Cotton gloves or safety shoes were provided to cutting operators;

d. Gloves to workers who dip rubber sheets into chemicals and work on rubber roller machines;

e. Gloves, earplugs and safety shoes to workers in the rubber grinding, mixing area, and cutting areas;

f. Rubber gloves and boots to workers working in the ball leakage testing area or the label unsticking area, in the wet and slippery working condition;

g. Respirators to workers who are exposed to glue, paint, and solvents with anti-chemical gloves or respirators;

h. Insulated shoes were provided to electricians and maintenance men. HSE.7

12. Finding Status: Remediated

Explanation: Based on the observation at the facility, the factory has installed proper eyewash stations and there are floor drains for the water.

13. Finding Status: Not Remediated

Explanation: There is no dust control system in Workshop 1, where dust is discharged from most of the production process. HSE.13

14. Finding Status: Remediated

Explanation: The factory does not maintain a record of its PPE provision to workers. ER.31

15. Finding Status: Remediated

Explanation: Based on the observation at the facility, no exposed wire of welding machines was found on the ground.

16. Finding Status: Remediated

Explanation: Based on the observation at the facility, the individual switches were labeled.

17. Finding Status: Remediated

Explanation: Based on the observation at the facility, no electric wire was found connected using tape.

18. Finding Status: Remediated

Explanation: Based on the documentation review, a ground system in the factory was inspected.

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH, Art. 4, Art. 5 and Art. 6; Labor Code No. 10/2012/QH13 (2013), Art. 138; Labor Code of Vietnam, Art. 138; Law No. 27/2001/QH10 on Fire Prevention and Fighting (2001), Art. 24(2)(3); Law No. 84/2015/QH13, Art. 13, Art.15, Art. 16, Art, 23 and Art.28; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety, and Environment Benchmarks HSE.7, HSE.13, and HSE.14)

Recommendations for Immediate Action

1. Ensure the bladder pressing machines and cutting machines are only operated by one person.

2. Obtain operational licenses for forklift drivers.

3. Ensure all machines have the appropriate machine guards and functioning emergency shutdown buttons.

4. Label all machine indicators and control panels attached on machines in the local language.

5. Provide the appropriate PPE to all workers and train workers on its use and importance. This includes:

a. Respiratory protective equipment (RPE) to workers exposed to dust in the chemical mixing area

b. Cotton gloves and safety shoes to workers on die-cutting machines.

c. Chemical-resistant glove to workers exposed to chemicals, paints, and solvents

d. Rubber gloves and boots to workers working in the ball leakage testing area and the label unsticking area, or other wet and slippery working conditions

e. Gloves, eye protection, and respirators for workers exposed to glue, paints, and/or solvents

f. Insulated shoes to electricians and maintenance men.

6. Maintain the records of PPE provision.

7. Equip the chemical mixing and rubber grinding areas with a dust control system.

8. Label the individual switches in the control panels, in the local language.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

In the chemical warehouse, secondary containers are either insufficient in capacity or cracking and leaking. The glue in the molding room does not have a secondary container.

There are no secondary containers in the screen printing area or where latex is stored and used. HSE.9

The H&S and Chemical trainers do not have trainer certificates. HSE.4

The filters of the respirators for workers in the chemical warehouse have not been changed. There is no procedure to check and change the respirator filters. HSE.7, HSE.8

There is no shower station in areas where chemicals are stored and used. HSE.6

The MSDSs for chemicals used in Workshops 1 and 2 are either improper as they are in short form, or missing. For example, sodium hydroxide used for label washing was not equipped with MSDS. HSE.10

The chemicals used in the Workshop 1 and 2 are stored in improper containers and labels. They are not kept in appropriate containers, such as plastic containers, and are not equipped with the original labels. The labels of powdered chemicals in Workshop 1 are not in the local language. HSE.9

Workers are not aware of the hazards and risks of the chemicals they use as they are not trained on chemical safety. HSE.9

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH Art. 4; Circular No. 04/2012/TT-BCT, Art. 12; Decree No. 44/2016/ND-CP, Art. 22; Law No. 06/2007/QH12 on Chemicals (2007), Art. 30 and 31; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.4, HSE.6, HSE.7; HSE.8, HSE.9, and HSE.10)

Recommendations for Immediate Action

1. Equip all chemicals with the proper secondary containers.
2. Ensure H&S/Chemical trainers are certified trainers.
3. Establish and implement a procedure to check and change the respirator filters.
4. Install a shower station where chemicals are stored and used.
5. Provide the proper containers, labels and complete MSDSs, in the local language, for all chemicals in use.
6. Provide workers with effective chemical safety to ensure they are aware of the hazards and risks of chemicals in use.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, around 10% of the secondary containers in the chemical warehouse were cracked and leaking. Around 20% of the chemicals were not provided with secondary containers in the chemical warehouse. HSE.9

2. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, around 10% chemical in the workshops were not provided with secondary containers. HSE.9

3. Finding Status: Remediated

Explanation: Based on the observation at the facility, H&S and chemical trainers who delivered the training have certificates.

4. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, the filters of the respirators for workers in the chemical warehouse have not been changed. Based on the documentation review, no procedures to check and change the filters. HSE.7, HSE.8

5. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, no shower station was installed in the area where chemicals are stored and used. HSE.6

6. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, MSDS documents were missing at several areas where chemicals were stored and

used. HSE.10

7. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, around 5% of glues in workshop 1 are stored in wooden boxes (flammable material). Around 10% chemical containers were not provided with secondary containers and properly labelled, such as workshop 1. HSE.9

8. Finding Status: Remediated

Explanation: Based on the documentation review, workers were trained on chemical safety.

Local Law or Code Requirement

Circular No. 04/2014/TT-BLDTBXH Art. 4; Circular No. 04/2012/TT-BCT, Art. 12; Decree No. 44/2016/ND-CP, Art. 22; Law No. 06/2007/QH12 on Chemicals (2007), Art. 30 and 31; FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.6, HSE.7; HSE.8, HSE.9, and HSE.10)

Recommendations for Immediate Action

1. Equip all chemicals with the proper secondary containers.
2. Establish and implement a procedure to check and change the respirator filters.
3. Install a shower station where chemicals are stored and used.
4. Provide the proper containers, labels and complete MSDSs, in the local language, for all chemicals in use.

PREVIOUS FINDING NO.17

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Workers had a reaction (itchiness and difficulty breathing) working in Workshop 1 and 2 due to high levels of chemical fumes and dust. There is a strong chemical odor in the printing section, drawing section, and bladder steaming sections. HSE.1

The factory has never conducted or commissioned an inspection for building safety. HSE.1

The factory does not have the Construction Completion Certificate, as legally required. HSE.2

The lighting system is broken at the inspection area, therefore it is dark. HSE.13

The factory has not conducted a sufficient inspection for working conditions, including noise, toxic air, and dust. During the assessment, noise in the chemical mixing area and rubber grinding section exceeded the legal maximum and was recorded at 89db during the assessment. HSE.1

The noise does not meet required standards as per the working condition inspection (for 2/33 check points) conducted in 2016. HSE.1

The ladder that leads to the roof for pipe maintenance in the ball steaming area is not equipped with a protection ring. HSE.13

The factory does not have a bath, menstruation room, or a room to pump and store breast milk.

There is no toilet paper or soap provided in the toilets. HSE.20

There are insufficient toilets for males and females. HSE.20

There are only 10 faucets in the toilets for more than 2,000 workers. HSE.19

The nurse does not have an occupational license. Furthermore, there is only one nurse for over 1,800 workers, there is no contract between the factory and the local hospital for additional supportive clinic staff. HSE.18, HSE.4

The factory does not conduct a root cause analysis for illness and injuries that occur in the facility. HSE.3

The factory does not provide occupation health checks for workers. HSE.1

The factory does not conduct recruitment health checks, or supervise worker's health for each workers, as legally required. HSE.1

All the first aids kit are missing most of the first aid supplies as per the legal requirement. HSE.6

The first aid stretcher was blocked by tables and semi products in the bladder steaming section. HSE.6

There is no orthosis provided on the work floor for first aid. HSE.6

Workers hand sewing and hand stitching balls hunch when they work. Their chairs are not adjustable and do not have backrests or cushions. HSE.17

The factory does not train workers in the proper lifting techniques or provide loading workers with lifting belts. HSE.17

The factory does not provide any visual management (e.g. indicators, convex mirror, reflectors) to ensure safe driving practices. HSE.1

Traffic lanes and walk paths are not clearly marked. HSE.1

Local Law or Code Requirement

Circular 08/2006/BXD, Art 1.3; Circular No. 19/2016/TT-BYT, Art.1, 2, 3, 6, 8, Annex 1, Annex 4; Decision No. 3733/2002/QĐ-BYT on Hygiene in the Workplace (2002), Art. I(4), Part 2, Art 4.2; Decree 85/2015/NĐCP, Art 3.3; Labor Code of Vietnam, Art.138; Law No. 84/2015/QH13 Art. 16, 18, and 73; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.3, HSE.4, HSE.6; HSE.13, HSE.17, HSE.18; HSE.19, HSE.20)

Recommendations for Immediate Action

1. Ensure noise and lighting in the different work areas meet legal requirements.
2. Provide the proper ventilation and exhaust fans where chemicals are used and fumes are strong.
3. Conduct or commission a regular inspection of building safety.
4. Obtain the necessary construction license and completion certificates and make available for review.
5. Equip ladders with protective barriers.
6. Maintain the toilets, sanitation facilities with the required ratio as legally required.
7. Obtain an occupational license for the nurse.
8. Conduct a root causes analysis for cases of illness and injuries in the factory.
9. Provide workers with occupational health checks.
10. Provide recruitment health check to workers.
11. Supervise all workers on their health.
12. Equip first aid kits with all necessary first aid supplies, including an orthosis.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, chemical fumes level in goods repairing workshop are extremely high that cause uncomfortable feelings. Worker interviews confirmed the continuous discomfort. HSE.1

2. Finding Status: Not Remediated

Explanation: Based on the documentation review, no inspection for building safety was conducted HSE.1

3. Finding Status: Not Remediated

Explanation: Based on the documentation review, no Construction Completion Certificate was provided to review. HSE.2

4. Finding Status: Remediated

Explanation: Based on the observation at the facility, the lighting system is functioning at all working areas in the factory.

5. Finding Status: Remediated

Explanation: Based on the documentation review and observation at the facility, noise level in the factory did not exceed the local limit per the latest Working environment monitoring report.

6. Finding Status: Remediated

Explanation: Based on the documentation review and observation at the facility, noise level in the factory did not exceed the local limit per the latest Working environment monitoring report.

7. Finding Status: Remediated

Explanation: Based on the observation at the facility, the ladder is not used anymore.

8. Finding Status: Remediated

Explanation: Based on the observation at the facility, the factory has a bath, menstruation room, and a room to pump and store breast milk.

9. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, toilet paper or soap were not provided in the toilets HSE.20

10. Finding Status: Remediated

Explanation: Based on observation at the facility and management interview, there were 31 toilets for female workers and 19 toilets for male workers.

11. Finding Status: Remediated

Explanation: Based on observation at the facility and management interview, there are sufficient faucets in the toilets. HSE.19

12. Finding Status: Remediated

Explanation: Based on observation at the facility and documentation review, there is one certified nurse in the facility, which is adequate for a workforce of 511 workers. The factory also has a signed contract with the local hospital for additional support in cases of medical emergency.

13. Finding Status: Not Remediated

Explanation: Based on the documentation review, the factory does not conduct a root cause analysis for illness and injuries that occur in the facility. HSE.3

14. Finding Status: Partially Remediated

Explanation: Based on the documentation review, Occupational health checks were provided for 290 out of 511 workers. HSE.1

15. Finding Status: Remediated

Explanation: Based on the documentation review, recruitment health checks were conducted.

16. Finding Status: Remediated

Explanation: Based on observation at the facility, first aid supplies were equipped sufficiently for all kits.

17. Finding Status: Remediated

Explanation: Based on observation at the facility, first aid stretcher was not blocked during the assessment day.

18. Finding Status: Remediated

Explanation: Based on observation at the facility, orthosis was provided for first aid at the work floors.

19. Finding Status: Not Remediated

Explanation: Based on observation at the facility, workers' chairs were not adjustable and did not have backrests or cushions HSE.17

20. Finding Status: Not Remediated

Explanation: Based on observation at the facility, no lifting belts were provided. Based on the management interview and employee interview, no proper lifting techniques training was provided to workers. HSE.17

21. Finding Status: Remediated

Explanation: Based on observation at the facility, visual management (mirror) was provided to ensure safe driving practices.

22. Finding Status: Not Remediated

Explanation: Based on the observation at the facility, traffic lanes and walk paths were not marked on the floor. HSE.1

Local Law or Code Requirement

Circular 08/2006/BXD, Art 1.3; Circular No. 19/2016/TT-BYT, Art.1, 2, 3, 6, 8, Annex 1, Annex 4; Decision No. 3733/2002/QĐ-BYT on Hygiene in the Workplace (2002), Art. 1(4), Part 2, Art 4.2; Decree 85/2015/NĐCP, Art 3.3; Labor Code of Vietnam, Art.138; Law No. 84/2015/QH13 Art. 16, 18, and 73; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.3, HSE.17, HSE.19, and HSE.20)

Recommendations for Immediate Action

1. Provide the proper ventilation and exhaust fans where chemicals are used and fumes are strong.
2. Conduct or commission a regular inspection of building safety.
3. Obtain the necessary construction license and completion certificates and make available for review.
4. Conduct a root causes analysis for cases of illness and injuries in the factory.
5. Provide all workers with occupational health checks.
6. Provide backrests or cushions to workers. Ensure the workers' chairs are adjustable.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

Regular overtime of 1.5 hours were arranged for workers as part of the production plan. HOW.1, HOW.7, HOW.9, HOW.8*

Actual working hours were not mentioned in labor contracts, there was only a statement that "workers work 8 hours per day". It is legally required by law that specific hours of work are listed in contracts. HOW.1

Local Law or Code Requirement

Labor Code No. 10/2012, Article 23; FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.7, HOW.9)

Recommendations for Immediate Action

1. Factory shall ensure not request overtime on a regular basis and to exclude overtime in production planning.
2. Factory shall ensure to clearly indicate the working hours in the labor contract, as required by law.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

Two fire extinguishers at material warehouse (outside the facility) are not inspected by certified personnel at least once a year. 10% of inspection certificates of fire extinguishers are expired, such as the one in the material Warehouse. HSE.1, HSE.3, HSE.6
At least three emergency lights and exit signs are not functioning properly; two in the material warehouse and one in the canteen. HSE.1, HSE.5
10% of workers' working station are obstructed by goods and baskets in the grinding section. HSE.1, HSE.5

Local Law or Code Requirement

National Standard (TCVN) No. 7435 - 2:2004, Item 11.6.1.3, Chapter 11, National Standard (TCVN) No. 439/BXD-CSXD (1997); Item 7.5, Clause 7, National Standard (TCVN) No. TCVN 2622:1995; FLA Workplace Code (Health Safety and Environment Benchmarks HSE.1, HSE.3, HSE.5, and HSE.6)

Recommendations for Immediate Action

1. Inspect all fire extinguishers by certified personnel at least once a year as required by law.
2. Ensure all emergency light and exit sign are functioned properly at all time.
3. Keep workers' work station free of obstruction at all times.

NEW FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory does not employ any disabled workers, which is a violation of legal requirements which state that at least 1.5% of the total workforce should be composed of disabled workers. Factory also does not make any monthly payment into the employment fund for the disabled equal to the minimum wage multiplied by the number of disabled workers needed in order to reach 3% as per the law requirement. ER.3, ND.2

Local Law or Code Requirement

ORDINANCE 06/1998/PLUBTVQH – ARTICLE 9; DECREE 81/1995/NĐ-CP – ARTICLE 16; DECREE 116/2004/NĐ-CP; CIRCULAR 19/2005/TTLT/BLĐTBXH – BTC-BKHĐT; FLA Workplace Code (Employment Relationship Benchmark ER.3, Non-Discrimination Benchmark ND.2)

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The employer does not ensure that payment for sick leave and maternity leave is settled within three days to the workers as required by law.

Local Law or Code Requirement

Decision 828/QĐ-BHXH, Article 25, Clause 2.1; FLA Workplace Code (Compensation Benchmark C.4)