



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: The Antigua Group, inc

COUNTRY: Vietnam

ASSESSMENT DATE: 09/16/20

ASSESSOR: Openview

PRODUCTS: Apparel

NUMBER OF WORKERS: 348

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations
Compensation	3
Hours of Work	7
Employment Relationship	4
Health, Safety, and Environment	18
Nondiscrimination	2

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The payment system, including the minimum wage and overtime premiums, cannot be verified. The payroll is calculated based on inaccurate time records, which do not reflect the actual payment status. [C.2, C.7.2, C.16]
2. The factory provides 14 days of annual leave per year to workers under hazardous conditions, which is in line with the legal requirement. However, if those workers do not work for 12 full months a year, their annual leave is calculated based on 12 days instead of 14 days, and the factory provides one day for every month worked (12 days of annual leave / 12 months * number of actual months worked that year). [HOW.11]

Local Law or Code Requirement

Vietnam Labor Code, Article 90, Article 91, Article 97, and Article 114, Decree No. 45/2013/ND-CP, Article 7. FLA Workplace Code (Compensation Benchmarks C.2, C.7 and C.16; Hours of Work Benchmark HOW.11)

Recommendations for Immediate Action

1. <!--[endif]-->Maintain complete and accurate payroll records linked to workers' actual working hours.
2. <!--[endif]-->Provide sufficient annual leave per the legal requirement.

FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The working hour system, including weekly working hours and consecutive working days, cannot be verified. Time records are inaccurate because there are discrepancies among the provided time records, payroll records, production records, and worker interviews with 15 sampled workers:

- a) Numbers of overtime hours are different between the provided time records and payroll records. Time records indicate that one worker worked 16 overtime hours in June 2020, while payroll records show this worker worked 30 overtime hours in June 2020. Time records indicate another worker worked 30 overtime hours in August 2020, while payroll records show this worker worked 1.5 overtime hours in August 2020.
 - b) In/out time records indicate that one maintenance worker left the factory on Sunday, September 6, 2020 from 8:55a to 11:10a to repair a machine, one quality assurance (QA) worker left the factory from 11:30a to 12:55p for a personal reason on Sunday, September 6, 2020, and one sewing worker from Line 4 went out of the factory from 12:00p to 1:00p for lunch on Sunday, September 13, 2020. The provided time records show no workers work on Sundays.
 - c) The overtime registration form indicates that four sewing workers from Line 4 worked on Sunday, June 14, 2020. The provided time records and pay slip records show no workers work on Sundays, and the June 2020 payroll records provided do not include three out of those four workers. The factory cannot find the June 2020 time records for one of the three workers.
 - d) Interviewed workers report that the factory provides Level A sewing workers with a skill bonus of VND 500,000/month (USD 22/month) and VND 300,000/month (USD 13/month) for Level B. The factory provides the Vice Team Leader with a responsibility allowance of VND 200,000/month (USD 9/month). However, the provided payroll records do not indicate those bonuses or allowance.
- [ER.23, HOW.1.3, HOW.2]

Local Law or Code Requirement

Vietnam Labor Code, Article 104, Article 106 and Article 110. FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.2; Employment Relationship Benchmark ER.23)

Recommendations for Immediate Action

1. <!--[endif]-->Establish a reliable time recording system and maintain complete and accurate time records.

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. FLA Comment: Vietnam has not ratified ILO Convention 87. 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, FOA.10]

Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmarks FOA.2 and FOA.10)

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has conducted a health and safety risk assessment, but it does not cover the occupational safety hazards for the round cutting machine, mechanic room, waste warehouse, fire pump house, office or heavy lifting jobs. In addition, the factory did not conduct

a worker survey as part of the risk assessment as per legal requirement. [HSE.1]

2. The factory does not provide legally required occupational health examinations to sewing workers or embroidering workers, who have hazardous exposure to fabric dust and noise. [HSE.1]

3. The factory does not install visual alarm in the embroidery room, which is 120 square meters and with high level of noise present. In addition, two out of four fire alarm call points in the cutting area are broken and cannot be activated. [HSE.5.1, HSE.5.3]

4. The factory has not conducted firefighting or evacuation drills with local firefighters annually. The last firefighting and evacuation drill with local firefighters was conducted on September 7, 2019. [HSE 5.3]

5. The factory has not hired an authorized company to inspect the sprinkler system annually. The last inspection was conducted in 2017 when the sprinkler system was installed. [HSE.6.1]

Local Law or Code Requirement

Circular 07/2016/TT-BLDTBXH, Article 3 and Article 5; Law 84/2015/QH13, Article 7 and Article 21; TCVN 3890:2009, Clause 6.1.1; Decree 79/2014/ND-CP, Article 21; TCVN 3890:2009, Clause 7.2.2. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.5 and HSE.6)

Recommendations for Immediate Action

1. <!--[endif]-->Conduct a health & safety risk assessment covering all occupational safety hazards and appropriate ways to eliminate and control hazards. Conduct survey with workers during the risk assessment.
2. <!--[endif]-->Provide occupational health examination to workers with hazardous exposure to fabric dust and noise.
3. <!--[endif]-->Install visual alarms in the embroidery room. Fix the fire alarm call points in the cutting area and conduct routine maintenance to ensure functionality.
4. <!--[endif]-->Conduct firefighting and evacuation drills with local fire department at least annually.
5. <!--[endif]-->Hire an authorized company to inspect the sprinkler system annually.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. An extension cord on the floor of the mechanic room is a tripping hazard. [HSE.13]

2. The factory has not installed safety covers on the cutting machine, sanding machine or the lead welding machine in the mechanic room. In addition, the factory has not posted safety operation instructions near those machines or posted warning signs to remind workers of the safety hazards or to wear appropriate personal protective equipment (PPE) in the mechanic room. [HSE.14.1, HSE.14.3]

3. The factory has not provided labels in local language (Vietnamese) to one machine oil and one bottle of thread oil in the mechanic room. Labels are in English and Chinese. [HSE.9.1]

4. The factory does not maintain Material Safety Data Sheet (MSDS) for the spray glue named 3M Supper 77, which is stored in the chemical warehouse. [HSE.10.1]

5. The factory does not provide a water supply for the eyewash facility in the hazardous waste warehouse. [HSE.6.1]

Local Law or Code Requirement

LAW No. 28/2004/QH11, Article 57; LAW 84/2015/QH13, Article 16; Law on Chemical (No. 06/2007/QH12), Article 27 and Article 29; CIRCULAR 19/2016/TT-BYT, Article 5. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.6, HSE.9, HSE.10, HSE 13 and HSE.14)

Recommendations for Immediate Action

1. <!--[endif]-->Use extension cords only when necessary and only on a temporary basis. Organize the extension cords properly to avoid tripping hazard.

2. Install safety covers on the cutting machine, sanding machine and lead welding machine in the mechanic room. Post safety operation instructions on or near those machines and post warning signs to remind workers of the safety hazards and to wear appropriate PPE in the mechanic room.
3. Label chemical containers in local language of Vietnamese.
4. <!--[endif]-->Maintain MSDS for all chemicals and post MSDS in areas where chemicals are used and stored.
5. <!--[endif]-->Provide water supply for the eyewash device in the hazardous waste warehouse.

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory periodically conducts open burning of a few types of domestic, industrial and hazardous waste next to the hazardous waste warehouse, including nylon bags, fabrics, thread cones and paint cans. Open burning emits dust and toxic smoke into the environment and the last open burning was conducted in July 2020. [HSE.1]
2. The factory does not provide secondary containment for the oil tank of the air compressor and oil is leaking on the surrounding floor in the air compressor house. In addition, the factory does not provide secondary containment for the waste oil tank or one of the four waste oil cans in the hazardous waste warehouse. [HSE.9.1]

Local Law or Code Requirement

Law No. 55/2014/QH13, Article 68; Decree No. 38/2015/NĐ-CP, Article 5; Law on Chemicals No. 06/2007/QH12, Article 37. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.9)

Recommendations for Immediate Action

1. Cease the practice of open burning. Collect, store and dispose of all kind of wastes as per legal requirement.
2. <!--[endif]-->Provide secondary containment for all chemical containers.