



COMPANIES: Kathmandu
COUNTRY: Vietnam
ASSESSMENT DATE: 10/14/16
ASSESSOR: FLA China
PRODUCTS: Apparel
NUMBER OF WORKERS: 2042

Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

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	Violations
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Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

- 1.The factory pays some workers more than seven days after resignation. By law, they must pay resigned workers within seven days of their resignation.
- 2.The factory does not include the probationary and training periods when calculating workers' severance allowances.

Local Law or Code Requirement

The Vietnam Labor Code, Article 47.2; Decree No. 05/2015/ND-CP, Article 14.3a.; FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16.1)

COMPANY ACTION PLANS

1. Immediate Action - IA: Develop appropriate policies related to Termination & Retrenchment, ensuring that workers are paid within 7 days of resignation. Sustainable Improvement - SI: 1. Train HR and related personnel on policies. 2. Include policies on worker orientation and training. 3. Include policies in worker handbook.

Action plan status: Completed

Completion date: 02/09/18

2. IA: Develop appropriate policies related to severance pay, ensuring that the probationary and training periods are included when calculating workers pay. SI: 1. Train HR and related personnel on policies. 2. Include policies on worker orientation and training. 3. Include policies in worker handbook.

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1.The Collective Bargaining Agreement (CBA) is posted on the bulletin board; however, interviewed workers were not aware of its contents.

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 union] independent both of those which exist already and of any political party." Vietnam's legal framework is therefore not compatible with the ILO Principles on Freedom of Association and, as such, all factories in Vietnam fail to comply with the FLA Code standard on Freedom of Association.

Local Law or Code Requirement

Decree No. 60/2013/ND-CP on democratic regulation at the workplace; FLA Workplace Code (Employment Relationship Benchmarks ER.16.2, Freedom of Association Benchmark FOA.2)

COMPANY ACTION PLANS

1. IA: Provide all current workers with a written copy of the CBA and include in all future worker orientations. SI: 1. Create a separate CBA. 2. Provide a copy to all staff. 3. Provide copies to all new employees during orientation. 4. Update CBA every few years.

Action plan status: Completed

Completion date: 02/09/18

2. IA:

1. Conduct a review union membership of workers.
2. Hold supportive dialogue and consultation with workers on union membership and freedom of association.
3. Provide a physical space / meeting room for communication between workers and union representatives.

SI:

1. Communicate to workers through bulletin boards, employee handbooks, new worker orientation and trainings.
2. Provide support for unions and workers representatives within the factory.
3. Management to consult with unions and worker representatives on key issues of importance to their members.
4. Provide Trade Unions with an enhanced role in dispute resolution within the factory.

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1.Workers do not receive a copy of the work rules during orientation training.

2.The factory does not send written invitations to the concerned workers and the Trade Union representative to participate in disciplinary meetings five days prior to the meeting. Instead, they hold disciplinary meetings immediately after the violation occurs.

3.There are no procedures for workers to appeal disciplinary actions taken against them.

4.In 2015, 26 workers were dismissed because they were caught smoking in the factory. However, prohibition of smoking in the factory is not included in the registered labor regulation.

Local Law or Code Requirement

The Vietnam Labor Code on Discipline and Material Responsibility, Decree No. 05/2015/ND-CP; FLA Workplace Code (Employment Relationship Benchmarks ER.15 and ER.27; Harassment and Abuse Benchmark H/A.1)

COMPANY ACTION PLANS

1. IA: 1. Include all work rules in employee handbook. 2. Provide a copy of the new handbook to all workers. SI: 1. Train HR and related personnel on policies. 2. Include policies on worker orientation and training. 3. Include policies in worker handbook.

Action plan status: Completed

Completion date: 02/09/18

2. IA:

1. Review all workers' personnel files.
2. Identify workers who are currently facing disciplinary action.
3. Provide a copy of the action along with a letter of invitation to the relevant union representative.
4. Allow 5 days for the union representative to reply.
5. Keep a record of all union letters along with disciplinary actions inside workers files.

SI:

1. Review current disciplinary policy and procedures.
2. Revise details on disciplinary actions within legal requirements including appeal process.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor disciplinary actions workers.
6. Monitor implementation.

Action plan status: Completed

Completion date: 02/09/18

3. IA: 1. Include non smoking prohibition in employee handbook. 2. Provide a copy of the new handbook to all workers. SI: 1. Review current policy and procedures around smoking. 2. Revise details on disciplinary actions within legal requirements. 3. Train HR and related personnel on changes 4. Include changes on worker orientation and training. 5. Create system to monitor disciplinary actions workers 6. Monitor implementation

Action plan status: Completed

Completion date: 02/09/18

4. IA:

1. Include disciplinary procedures in employee handbook.
2. Include procedures for workers to appeal disciplinary actions
3. Provide a copy of the new handbook to all workers.

SI:

1. Review current disciplinary policy and procedures
2. Revise details on disciplinary actions within legal requirements including union rep. being invited.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and training.
5. Create system to monitor disciplinary actions workers
6. Ensure that there is a senior management review process before disciplinary actions are given to workers.
7. Monitor implementation

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Factory has a general Environment policy, but no real Environmental risk assessment process and no commitment or plan for conservation of Energy & Water.
2. Some Material Safety Data Sheets (MSDS) were missing and not posted in the boiler area. MSDS were not posted and accessible to all

- production workers using chemicals. Not all MSDSs are available in the local language.
3. Chemicals in the boiler area are not well managed. They are stored without secondary containment and are located near an open drain. Due to the lack of Material Safety Data Sheets and PPE signs, it is unknown if these chemicals are hazardous.
 4. There is no fire alarm system in the boiler area.
 5. There are no chemical spill procedures or training on what to do if there is a chemical spill.
 6. There are no functioning eyewash facilities or showers in chemical storage area or in boiler area near the chemicals.
 7. Waste is not labeled, separated, or segregated. Hazardous waste containers are not stored properly and lack containment. The waste area is messy and disorganized with waste left in various areas.

Local Law or Code Requirement

Vietnam Law on Environment , Decree No. 38/2015/ND-CP on waste management; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.9, HSE.10, and HSE.19)

COMPANY ACTION PLANS

1. IA:

1. Review procedures for Environmental risk assessment process and commitment or plan for conservation of Energy & Water.
2. Identify what needs to be done to create an Environmental risk assessment process and a commitment or plan for conservation of Energy & Water.
3. Identify who is responsible for creating such a process and plan of action.
4. Implement actions.

SI:

1. Create Policies and Procedures for assessing environmental risk and the conservation of Energy & Water.
2. Provide training to all staff involved in the management of this.
3. Establish a system to monitor and measure this.

Action plan status: Completed

Completion date: 02/09/18

2. IA:

1. Identify workplace, including Boiler area where chemicals are stored and used.
2. Inspect MSDS availability on all chemicals, and local language translation, MSDS posting.
3. Inspect chemical container labeling.
4. Validate if chemical inventory list is updated.
5. Implement corrective actions accordingly
6. Identify who is responsible for doing so.

SI:

1. Create or amend Health and safety Policy and Procedure addressing safety instructions or MSDS warning signs
2. Provide Health and safety training to all employees on the safe use of safety instructions or warning signs and MSDS.
3. Create a procedures for ensuring that all areas of the factory have the relevant safety instructions or warning signs and MSDS.

Action plan status: Completed

Completion date: 02/09/18

3. IA: 1. Appoint person responsible for dealing with all chemicals. 2. Arrange secondary containment and storage of chemicals. SI: 1. Create Policies and Procedures for chemical management including personnel responsible for managing transport, storage, use and disposal of chemicals. 2. Provide training to all staff involved in the management of chemicals 3. Establish a system to monitor and measure chemical storage and disposal.

Action plan status: Completed

Completion date: 02/09/18

4. IA:

1. Review fire alarm system of the factory
2. Validate fire alarm availability, signage and access to all areas in the factory, including boiler and waste storage area.
3. Identify locations and install fire alarm and signage
4. Update emergency evacuation plan to reflect additional fire alarm installed.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the fire alarm system in the factory.
2. Provide training or source external training for all employees who need to monitor and maintain a centralized and battery powered fire alarm system in the factory.

Action plan status: Completed

Completion date: 02/09/18

5. IA:

1. Review procedures for spillage in the chemical warehouse.
2. Identify what needs to be done to provide a spill response kit in the chemical warehouse.
3. Identify who is responsible for doing so.
4. Implement action by installing a spill response kit in the chemical warehouse.

SI:

1. Create or amend Health and safety Policy and Procedure addressing spillage response in the chemical warehouse and any other hazardous areas.
2. Provide Health and safety training to all employees on spillage and correct procedures to follow.
3. Create procedures for ensuri

Action plan status: Completed

Completion date: 02/09/18

6. IA:

1. Identify locations/workplace, including Boiler area and chemical storage area where eyewash/shower is required.
2. Install eyewash/shower and appropriate signage

SI:

1. Create or amend Health and safety Policy and Procedure addressing eye washing facilities in the chemical warehouse and any other hazardous areas.
2. Provide Health and safety training to all employees on the correct use of eye washing facilities
3. Create procedures for ensuring that all areas of the factory have the relevant installed eye washing facilities and equipment to deal with any incidents.

Action plan status: Completed

Completion date: 02/09/18

7. IA: 1. identify different waste generated by the factory 2. classify waste (hazardous, sanitary, recyclable, etc.) 3. provide waste bins, labelled 4. identify location for the different waste storage and segregation SI: 1. Create Policies and Procedures for waste management. 2. Provide training to all staff involved in the management of waste. 3. Establish a system to monitor and measure waste disposal.

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Traffic lanes are not clearly marked. The factory does not provide any visual management such as indicators, convex mirrors in blunt ends, reflectors etc. to ensure safe driving practices.
2. The loading dock lack chains and safety markings.
3. Three elevators are in use, but the maximum loading amount and a warning that the elevators are to be used for goods only were only posted in one elevator.
4. About half of the exit stairs in the facility have a gap of about 20cm near the windows, with no side rail for safety.
5. Approximately 20% of the ventilation fans are not guarded with adequate screens or warning signs.
6. The restrooms and sinks by the canteen did not have soap during both days of the assessment.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1, HSE.14, and HSE.19)

Recommendations for Immediate Action

1. Install chains and safety markings on the loading docks to prevent injuries.
2. Install side rails on the exit stairs for safety.
3. Provide adequate screens and warning signs for all ventilation fans to prevent injury.

COMPANY ACTION PLANS

1. IA:

1. Review traffic lanes and sidewalks. Identify what area needs marking and what type of marking is needed.
2. Review driving routes in the factory and identify what visual signage is needed to ensure safe driving of workers.
3. Implement actions.

SI:

1. Create a Policy and Procedure for the safe marking of lanes and aisles.
2. Provide training to all staff on staying within the lanes provided and the reasons behind them.
3. Establish a procedure to monitor and record incidents to ensure that the lane markings are effective and helpful.
4. Where necessary, provide vis

Action plan status: Completed

Completion date: 02/09/18

2. IA: Provide chains and safety markings in the loading dock. SI: 1. Create a Policy and Procedure for the safe use of chains and safety markings 2. Provide training to all staff. 3. Provide visual management tools such as safety markings to ensure safe driving practices.

Action plan status: Completed

Completion date: 02/09/18

3. IA:

1. review technical specification of elevator and determine loading capacity.
2. install loading capacity signage and warning inside the elevator, and outside (placed at wall before going inside the elevator).

SI:

1. Create or amend Health and safety Policy and Procedure addressing safety instructions or warning signs
2. Provide Health and safety training to all employees on the safe use of cargo lifts and safety instructions or warning signs.
3. Create a procedures for ensuring that all machines (including cargo lifts) have the relevant safety instructions or warning signs.

Action plan status: Completed

Completion date: 02/09/18

4. IA: 1. Inspect exit stairs, and identify risk of accidental fall 2. design safety side rail to eliminate accidental risk of fall. 3. install safety railing. SI: 1. Review procedures on fall protection barriers. 2. Identify what needs to be done to repair the said fall protection. 3. Identify who is responsible for doing so. 4. Implement action by acquiring and repairing fall protection.

Action plan status: Completed

Completion date: 02/09/18

5. IA: 1. install guard and warning signs on the ventilation fans. SI: 1. Create or amend Health and safety Policy and Procedure addressing ventilation systems in the chemical warehouse and any other hazardous areas. 2. Provide Health and safety training to all employees on correct procedures to follow. 3. Create procedures for ensuring that all areas of the factory have the relevant safety instructions, warning signs, appropriate ventilation to deal with any incidents.

Action plan status: Completed

Completion date: 02/09/18

6. IA: 1. Set up a checklist for restrooms and sinks including refilling sanitary products. 2. Appoint Health and Safety person responsible. SI: Create or amend Health and safety Policy and Procedure on monitoring restroom.

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are is no worker participation on the Safety Committee. There is a union representative but he is at the manager and/or supervisor level.
2. The factory does not have any safety officers, as required by law.
3. The factory does not conduct detailed training for managers, supervisors or workers with special responsibilities on safety procedures for lifting/loading, welding, work at heights, or Lock Out Tag Out sytem.
4. The fork lift operators have some safety training, but do not have drivers' licenses.
5. Zero accidents have been reported. Incidents which occur are not actively reported, investigated, or followed up, even though there are procedures.
6. There are electrical cords spliced with duct tape.

Local Law or Code Requirement

Vietnam Labor Code, Safety Standards, TCVN; Decree 39/2016/NDCP, Article 36; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.13, HSE.14, and HSE.17)

COMPANY ACTION PLANS

1. IA:

1. Conduct a review on Safety Committee participation of workers.
2. Elect a worker participant on the Safety Committee.
3. Hold supportive dialogue and consultation with workers on Safety Committee participation.

SI:

1. Communicate to workers through bulletin boards, employee handbooks, new worker orientation and trainings.
2. Provide support for workers representatives within the factory.
3. Management to consult with Safety Committee on key issues of importance to their members.

Action plan status: Completed

Completion date: 02/09/18

2. IA: 1. Conduct a review on Safety Committee participation. 2. Appoint safety officers with appropriate experience and training.

SI: 1. Review current Health & Safety policy and procedures. 2. Revise policies to align with legal requirements. 3. Train HR and related personnel on updates. 4. Include changes on worker orientation and training.

Action plan status: Completed

Completion date: 02/09/18

3. IA: 1. Review procedures for conducting training for managers, supervisors or workers with special responsibilities on safety procedures for lifting/loading, welding, work at heights, or Lock Out Tag Out sytem. 2. Identify who is responsible for doing so. 3. Implement action by conducting detailed training. SI: 1. Review current Health & Safety policy and procedures. 2. Train HR and related personnel on updates. 3. Include changes on worker orientation and trainings.

Action plan status: Completed

Completion date: 02/09/18

4. IA: 1. Identify the workers who need to obtain drivers' licenses. 2. Review procedures and requirement for fork lift operators. 3. Implement action by obtaining licenses. SI: 1. Review current Health & Safety policy and procedures. 2. Train HR and related personnel on updates. 3. Include changes on worker orientation and trainings.

Action plan status: Completed

Completion date: 02/09/18

5. IA:

1. Define who is responsible and that roles and responsibilities are defined in case of accidents.
2. Appoint the following persons; Safety officer, factory Safety committee.
3. Ensure that everyone is aware of what they need to do in the event of an accident.

SI:

1. Review best practices for accident policy and procedures.
2. Train HR and related personnel on changes.
3. Include changes on worker orientation, employee handbook and training.
4. Create system to actively report, investigate, or follow up accidents.

Action plan status: Completed

Completion date: 02/09/18

6. IA: 1. Identify all electrical cords spliced with duct tape and appoint a qualified electrician to reinstall properly. 2. Appoint Health and Safety person responsible for electrical safety. SI: 1. Create or amend Health and safety Policy and Procedure addressing electrical safety. 2. Provide Health and safety training to all employees on this. 3. Create a procedures for the monitoring of safety of electrical installation.

Action plan status: Completed

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not provide workers with lifting belts.
2. Individual workstations are not adjustable to fit individual workers. The factory does not train workers on ergonomics and safe lifting.
3. Some buttoning machines lack posted Standard Operating Procedures (SOP).
4. PPE requirements are not posted at every work station in the production area. Some workers used hearing protection, but not all workers who are exposed to loud noises do, especially those working with compressed air machines. There is no schedule or tracking system to record distribution or receipt of PPE by workers.
5. Welding is not done with proper PPE, training, or safety SOP.

Local Law or Code Requirement

FLA Benchmarks (Health, Safety and Environment Benchmarks HSE.7, HSE.8, HSE.14, HSE.17)

Recommendations for Immediate Action

Provide lifting belts for workers whose job requires heavy lifting. Additionally, provide training on using lifting belts.

COMPANY ACTION PLANS

1. IA:

1. Appoint Health and Safety person responsible for providing lifting belts and training on their use to relevant workers.
2. Identify which workers are in most need of lifting belts and training on their use, to ensure their health.
3. Create a purchasing budget to begin buying lifting belts. 4. Implement training and provide training and lifting belts to relevant workers.

SI:

1. Create or amend Health and safety Policy and Procedure addressing safe use of lifting belts and related training.
2. Provide Health and safety training to all employees who lift heavy objects as part of their work.
3. Create a procedures for the storage, use and replacement of lifting belts as they are needed.

Action plan status: Completed

Completion date: 02/09/18

2. IA:

1. Appoint Health and Safety person responsible for training workers on ergonomics and safe lifting.
2. Review state of adjustable workstations.
3. Create a purchasing budget to begin replacing and providing adjustable workstations.
4. Implement budget and purchase replacements.

SI:

1. Create or amend Health and safety Policy and Procedure addressing safe lifting and ergonomics.
2. Provide Health and safety training to all employees on the safe lifting and ergonomics.
3. Create a procedures for the monitoring of safe lifting and ergonomics.

Action plan status: Completed

Completion date: 02/09/18

3. IA: 1. Review procedures for signage and SOP of all special machines. 2. Identify who is responsible for doing so. 3. Implement action by posting a sign of SOP for all special machines and in local language. SI: 1. Create or amend Health and safety Policy and Procedure addressing SOP signage. 2. Provide Health and safety training to all employees on the safe use of button machines. 3. Create a procedures for ensuring that all machines have the relevant SOP signage.

Action plan status: Completed

Completion date: 02/09/18

4. IA:

1. Appoint Health and Safety person responsible for posting PPE requirement at every work station and recording distribution or receipt of PPE by workers.
2. Review what type of PPE signage is required for every station.
3. Install PPE signage/requirement at every work station.

4. Set up a register for recording distribution or receipt of PPE by workers.

SI:

1. Create or amend Health and safety Policy and Procedure addressing PPE requirement.
2. Provide Health and safety training to all employees on PPE requirement including hearing protection; and ensure that PPE requirements are posted at every work station.
3. Create a procedures for ensuring that PPE requirements are posted at every work station and a register for recording distribution or receipt of PPE by workers is set up.

Action plan status: Completed

Completion date: 02/09/18

5. IA:

1. Appoint Health and Safety person responsible for providing welding PPE, training and safety SOP on their use to relevant workers.
2. Create a purchasing budget for welding PPE.
3. Implement training and provide training to relevant workers and provide welding PPE to workers.

SI:

1. Create or amend Health and safety Policy and Procedure addressing safe use of welding PPE and related training.
2. Provide Health and safety training to relevant workers.
3. Create a procedures for the storage, use and replacement of welding PPE as they are needed.

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Multiple annual fire police inspections, with the first one conducted in 12thMay 2008, have required the factory to install a sprinkler system in the warehouses to comply with local regulations. The factory has recently installed a system but it has yet to be inspected and accepted by local authorities. The sprinklers draw water from the main fire tank which it shares with hydrant and hose reels, this tank has a capacity of 80m3. The factory has no design drawings, calculations or documents on file to demonstrate that this amount is adequate.
2. When the fire alarm was tested in Factory 1, the alarm on level 2 was not fully operational. Two call points were tested and worked, but the attached sirens did not work. On level 2, only two out of six alarm sirens were working. The sound was not loud enough to be heard throughout the whole production area without having additional horns or repeaters. There is also no visual alarm system for workers in high noise areas.
3. The boiler and waste storage area do not have fire alarms, these are significant risk areas.
4. There are no test records or service contractors to inspect and maintain the fire alarm. These alarms are not inspected or tested regularly.
5. One emergency light in Factory 2 had a dead battery at the time of the assessment; there are no records or a system for tracking replacements.
6. A basic fire risk assessment was done internally, but there has been no third party fire risk assessment.
7. The factory only provides boots and gloves in their firefighting equipment PPE, they do not provide filter mask or breathing apparatus.
8. Fire pumps are not enclosed and have no roof. Pumps are exposed to rain and elements and are starting to rust. This may cause them to not function in an emergency.
9. Results from fire risk assessments are not all considered and addressed properly, additionally, the factory does not make enough effort to reduce fire risks

Local Law or Code Requirement

Vietnam Fire Code and Regulations No. 56/2014/TT-BCA; FLA Benchmarks (Health, Safety & Environment Benchmarks HSE.1, HSE.5, and HSE.6)

Recommendations for Immediate Action

1. Ensure that the fire alarms are fully operational at all times and in all locations. They must be loud enough to be heard throughout the factory. Regularly test and inspect the alarm system.
2. Ensure that the fire alarm system covers all areas of significant fire risk, including the boiler room and waste storage area. Test records, service contracts, and inspection and maintenance records should be kept up to date and on file.
3. Regularly inspect emergency lights and repair or replace when necessary and in a timely manner by using logs and keeping records.

4. Commission a third party fire risk assessment. Review and address any risks that are identified.
5. Fire pumps should be enclosed and protected from the elements.

COMPANY ACTION PLANS

1. IA: 1. Appoint Health and Safety person responsible for annual fire inspection. 2. Contact local fire inspection department to inspect the sprinkler system. 3. Implement action accordingly. SI: 1. Create or amend Health and Safety Policy and Procedure addressing annual fire inspection and sprinkler system. 2. Create procedures to ensure that the sprinkler system in the factory is regularly checked and well maintained.

Action plan status: Completed

Completion date: 02/09/18

2. IA:

1. Review procedures on ensuring that the fire alarm system and the attached sirens are fully operational; visual alarm system is installed in high noise areas and the technical specification of the fire alarm system.
2. Identify what needs to be done to ensure that the fire alarm system and the attached sirens are fully operational.
3. Identify who is responsible for doing so.
4. Implement action by ensuring a fully operational fire alarm system and the attached sirens; and visual alarm system in high noise areas.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the fire alarm system in the factory.
2. Provide training or source external training for all

Action plan status: Completed

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3. Fire alarm already addressed on earlier corrective action.

Action plan status: Completed

Completion date: 02/09/18

4. IA:

1. Review procedures on ensuring that the fire alarms are inspected and maintained.
2. Appoint Health and Safety person responsible for inspection and maintenance of fire alarms.
3. Implement action by ensuring fire alarms are inspected and maintained regularly.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing inspection and maintenance of fire alarms.
2. Provide training for all employees who need to inspect and maintain the fire alarm system in the factory.
3. Create procedures to ensure that the fire alarm system in the factory is regularly inspected and well maintained.

Action plan status: Completed

Completion date: 02/09/18

5. A:

1. Review procedures on ensuring that the emergency lights are inspected and maintained.
2. Appoint Health and Safety person responsible for inspection and maintenance of emergency lights.
3. Implement action by ensuring emergency lights. are inspected and maintained regularly.

SI:

1. Create or amend Health and Safety Policy and Procedure addressing inspection and maintenance of emergency lights.
2. Provide training for all employees who need to inspect and maintain the emergency lights in the factory.
3. Create procedures to ensure that the emergency lights in the factory are regularly inspected and well maintained.

Action plan status: Completed

Completion date: 02/09/18

6. IA:

1. Review procedures on fire safety and a fire risk assessment.
2. Identify what needs to be done to commission a third-party expert to conduct a fire risk assessment.
3. Identify who is responsible for doing so.
4. Implement action by commissioning a third-party expert to conduct a fire risk assessment

SI:

1. Create or amend Health and Safety Policy and Procedure addressing the fire alarm system in the factory following a third party risk assessment.
2. Provide training or source external training for all employees who need to follow up on a third-party fire risk assessment.
3. Create procedures to ensure that the the fire risk at the factory is regularly assessed and followed up on.

Action plan status: Completed

Completion date: 02/09/18

7. IA

1. Appoint Health and Safety person responsible for posting PPE requirement at every work station and recording distribution or receipt of PPE by workers.
2. Review what type of PPE signage is required for every station including filter mask or breathing apparatus.
3. Install PPE signage/requirement at every work station.
4. Set up a register for recording distribution or receipt of PPE by workers.
5. Ensure fire fighting PPE is addressed as well.

SI

1. Create or amend Health and safety Policy and Procedure addressing PPE requirement including fire fighting PPE.
2. Provide Health and safety training to all employees on PPE requirement including fire fighting PPE, filter mask or breathing apparatus; and ensure that PPE requirements are posted at every work station.
3. Create a procedures for ensuring that PPE requirements are posted at every work station and a register for recording distribution or receipt of PPE by workers is set up.

Action plan status: Completed

Completion date: 02/09/18

8. IA

1. Identify who is responsible for adding a roof to the pump house to protect fire pumps from the elements.
2. Implement action by commissioning the person responsible to do so.

SI

1. Create or amend Health and Safety Policy and Procedure addressing the fire fighting equipment in the factory.
2. Provide training or source external training for all employees who need to monitor and maintain the fire fighting equipment system in the factory.
3. Create procedures to ensure that the fire fighting equipment in the factory is regularly checked and well maintained.

Action plan status: Completed

Completion date: 02/09/18

9. IA

1. Review procedures on fire safety and a fire risk assessments.
2. Identify what needs to ensure that fire risk assessment results are implemented and fire risks are reduced.
3. Identify who is responsible for doing so.
4. Implement action by commissioning the person responsible to do so.

SI

1. Create or amend Health and Safety Policy and Procedure addressing the implementation of fire assessments and fire risk reduction efforts.
2. Provide training or source external training for all employees who need to follow up on such assessments.
3. Create procedures to ensure that the results from such assessments are followed up on.
4. Consider engaging a third party to conduct a risk assessment.

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. The factory does not have a written policy on Termination & Retrenchment.
2. The factory does not have procedures on Personnel Development including managing performance review procedures, skills development or promotion, demotion or job reassignment.
3. The factory does not have written procedures on Compensation or Hours of Work, but there are some documents or systems to manage these practices.

4. The factory does not have a written policy on Recruitment, Hiring & Personnel Development, but some documents or systems exist to manage these practices.
5. The factory has a general Environmental Protection policy, but no real Environmental risk assessment and no commitment or plan to conserve energy and water or to manage its environmental impact.
6. The factory's Health & Safety procedures does not include how workers can raise Health & Safety concerns or protections against retaliation for workers who raise Health & Safety concerns.
7. The factory does not have a written procedure for Industrial Relations and Freedom of Association. One dialogue meeting between management and workers, as prescribed by law, was organized on October 20, 2015 but no other meetings have been organized since then.
8. The Grievance System policy does not include a commitment to comply with the FLA code. Furthermore, the Grievance System procedures do not allow a direct settlement of grievances by the worker and their immediate supervisor.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.23.1, ER.25, ER.28, ER.29.1, ER.30, ER.31, and ER.32.1; Health, Safety & Environment Benchmark HSE.1)

COMPANY ACTION PLANS

1. IA Develop appropriate policies related to Termination & Retrenchment. SI 1. Train HR and related personnel on termination and retrenchment policies. 2. Include policies on termination and retrenchment in worker orientation and training. 3. Include these policies in worker handbook.

Action plan status: Completed

Completion date: 02/09/18

2. IA

1. Develop appropriate policies and procedures related to personnel development.
2. Include ongoing training for all workers with the goal of raising or broadening skills in order to advance in their careers.
3. Provide education to staff on the policies and respond to questions.

SI

1. Train HR and related personnel on changes.
2. Communicate with workers and post on bulletin boards.
3. Include in worker orientation and trainings.
4. Include in worker handbook.
5. Create system to monitor implementation.

Action plan status: Completed

Completion date: 02/09/18

3. IA

1. Appoint Person Responsible for Human Resources and Policy / Procedure development.
2. Develop training materials for workers on Compensation and Hours of Work.
3. Provide training to workers.
4. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory.
2. Create a Training Policy, Training Outline and Course Content that addresses ongoing training to workers on Compensation and Hours of Work.

Action plan status: Completed

Completion date: 02/09/18

4. IA

1. Create formal policies and procedures on Recruitment, Hiring & Personnel Development.
2. Include in this a system for workers.
3. Provide education for workers on the new policy and additions.
4. Respond to questions.

SI

1. Appoint an HR person who is responsible for ensuring the policy on Recruitment, Hiring & Personnel Development procedures are complied with.
2. Create a system for Recruitment, Hiring & Personnel Development.
3. Train HR and related personnel on Recruitment, Hiring & Personnel Development.

Action plan status: Completed

Completion date: 02/09/18

5. IA

1. Review all environmental law and local policy as it relates to environmental risk assessment and create a plan to conserve energy and water and to manage its environmental impact.
2. Identify and appoint someone responsible for doing so.
3. Provide education on environmental assessments, conserving energy and water and managing the environmental impact to all workers and respond to questions.

SI

1. Review current environmental policy and procedures.
2. Revise policies to align with legal requirements.
3. Train HR and related personnel on changes
4. Include changes on worker orientation and trainings.
5. Create system to monitor incidents, assess risk, conserve energy and water, manage the environmental impact.
6. Monitor implementation

Action plan status: Completed

Completion date: 02/09/18

6. IA

1. Create formal policies and procedures on Health & Safety.
2. Include in this a system for workers to raise Health & Safety concerns.
3. Include in this policy protection against retaliation for workers who raise such Health and Safety concerns.
4. Provide education for workers on the new policy and additions.
5. Respond to questions.

SI

1. Appoint a Health and Safety person who is responsible for ensuring the policy and procedures are complied with.
2. Create a system for Health and safety concerns to be raised without retaliation.

Action plan status: Completed

Completion date: 02/09/18

7. IA 1. Develop appropriate policies related to Industrial Relations and Freedom of Association. 2. Every year hold a dialogue meeting between factory management and workers. SI 1. Train HR and related personnel on policies. 2. Include policies on worker orientation and training. 3. Include policies in worker handbook.

Action plan status: Completed

Completion date: 02/09/18

8. IA

1. Review current worker grievances and the current formal grievance procedures and factory policy and include a commitment to comply with FLA Code.
2. Rewrite the formal grievance procedure as it is currently written to ensure that workers are protected when they file a grievance against the factory.
4. Keep a record of all such grievances and document how they are resolved.

SI

1. Review best practices for grievance policy and procedures
2. Revise details on grievance procedures within legal requirements.
3. Include an allowance for the direct settlement of grievances by the worker and their immediate supervisor.
3. Train HR and related personnel on changes
4. Include changes on worker orientation, employee handbook and trainings.
5. Create system to monitor grievances of workers and their resolution

Action plan status: Completed

Completion date: 02/09/18

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.25.2, ER.29, and ER.30)

COMPANY ACTION PLANS

1. IA

1. Review current factory practice and legal requirements to include worker voice.
2. Identify areas where worker input or feedback is absent.
3. Plan implementation of worker communication.
4. Implement meaningful ways for workers to have some input and provide feedback to management.

SI

1. Train HR and related personnel on changes
2. Communicate with workers and post on bulleting boards ways they can now provide feedback and input.
3. Include in all worker orientations and trainings.
4. Create system to monitor and review worker contributions.
5. Monitor implementation

Action plan status: Completed

Progress update: 05/14/18 : We have been written procedure "complain procedure" - Quarterly, we have hold dialogue and consultation with workers on union membership and freedom of association. - Through union /employee representation: we arranged a room for the operation of the union, every Saturday afternoon, representatives of the executive committee of the trade union is assigned directly to receive comments of the workers.

Completion date: 02/09/18

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide specific training for relevant supervisors on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, and Grievance System.
2. The factory does not provide ongoing training for employees on the following Employment Functions: Recruitment, Hiring & Personnel Development, Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, and Health & Safety.
3. The factory does not provide training on Workplace Conduct & Discipline for relevant HR staff.
4. Orientation training for new workers covers all Employment Functions except Personnel Development.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.1, ER.15.2, ER.17.1, ER.17.3, ER.26, ER.27)

COMPANY ACTION PLANS

1. IA

1. Appoint Person Responsible for Training.
2. Develop training materials for relevant supervisors on Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.
3. Provide training to relevant supervisors.
4. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory.
2. Create a Training Policy, Training Outline and Course Content that addresses ongoing training to relevant supervisors on the following Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.
3. Roll out such training at least twice a year.
4. Include the same information in the employee handbook.

Action plan status: Completed

Progress update: 05/14/18 : We have plan to training for relevant supervisors on the following employment functions: recruitment, hiring & personnel development, compensation, hours of work, termination & retrenchment, industrial Relations, grievance system and workplace conduct & discipline, and health & safety.

Completion date: 02/09/18

2. IA

1. Appoint Person Responsible for Training.
2. Develop training materials for employees on Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.
3. Provide training to employees.
4. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory.
2. Create a Training Policy, Training Outline and Course Content that addresses ongoing training to workers on the following Recruitment, Hiring & Personnel Development; Compensation; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; Grievance System; and Environmental Protection.
3. Roll out such training at least twice a year.
4. Include the same information in the employee handbook.

Action plan status: Completed

Progress update: 05/14/18 : We have plan to training for relevant supervisors on the following employment functions: recruitment, hiring & personnel development, compensation, hours of work, termination & retrenchment, industrial Relations, grievance system and workplace conduct & discipline, and health & safety.

Completion date: 02/09/18

3. IA

1. Appoint Person Responsible for Training.
2. Develop training materials for relevant HR staff on Workplace Conduct & Discipline;
3. Provide training to relevant HR staff.
4. Respond to questions.

SI

1. Appoint relevant HR and related personnel to be responsible for training and education within the factory.
2. Create a Training Policy, Training Outline and Course Content that addresses ongoing training to workers on Workplace Conduct & Discipline;
3. Roll out such training at least twice a year.
4. Include the same information in the employee handbook.

Action plan status: Completed

Progress update: 05/14/18 : We have plan to training for relevant supervisors on the following employment functions: recruitment, hiring & personnel development, compensation, hours of work, termination & retrenchment, industrial Relations, grievance system and workplace conduct & discipline, and health & safety.

Completion date: 02/09/18

4. IA

1. Appoint Person Responsible for Orientation Training;
2. Develop training materials for workers on Personnel Development.
3. Ensure that all new workers are provided with a written copy of such documentation that addresses Personnel Development during orientation training.

SI

1. Train HR and related personnel responsible for training for new employees.
2. Create a Training Policy, Training Outline and Course Content that addresses Personnel Development during worker orientation.
3. Include in worker handbook.
4. Include these changes in worker orientation and on going trainings.
5. Create system to monitor regular Personnel Development in performance reviews.
6. Monitor implementation.

Action plan status: Completed

Progress update: 05/14/18 : We have plan to training for relevant supervisors on the following employment functions: recruitment, hiring & personnel development, compensation, hours of work, termination & retrenchment, industrial Relations, grievance system and workplace conduct &

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

The factory does not conduct a periodic review and update of policies and procedures for the following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, and Health & Safety.

Local Law or Code Requirement

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

COMPANY ACTION PLANS

- 1. IA
 1. Add to the list of responsibilities that the HR department has (or appoint the relevant person) that they periodically review its policies and procedures on the following Employment Functions; Recruitment, Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Workplace Conduct & Discipline, Grievance System, and Health & Safety.
 2. Create a methodology that works for the factory and the HR department to ensure policies and procedures are reviewed and updated according to local law and the FLA Workplace Code and Benchmarks: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; Workplace Conduct & Discipline; and Environmental Protection.
 3. Implement and monitor.

- SI
 1. Train HR and related personnel on periodically reviewing and updating these policies and procedures.
 2. Communicate these updates to workers and post on bulletin boards.
 3. Include updates in worker trainings.
 4. Include updates in worker handbook.
 5. Create system to monitor implementation.

Action plan status:	Completed
Progress update:	05/14/18 : Ms Thanh is responsible for about updating of policies and procedures for the following employment functions: recruitment, hiring & personnel development, hours of work, termination & retrenchment, workplace conduct & discipline, grievance system, and health & safety and update law to have implement and monitor. All policy and procedure send every unit to implement
Completion date:	02/09/18

FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

The factory does not pay for workers to receive fire safety training.

Local Law or Code Requirement

Circular No.52/2015/TTLT – BLDTBXH-BCA-BTC, Article 8, and Decree 79/2014/ND-CP, Article 35.3; FLA Workplace Code (Compensation Benchmarks C.1)

COMPANY ACTION PLANS

- 1. IA

1. Appoint Person Responsible for Providing Fire Training to staff.
2. Develop training materials on fire safety.
3. Ensure that such training is provided and that workers are paid while undergoing training. (If training is done during OT period, workers are paid OT wages during this training.)
4. Answer any questions.

SI

1. Appoint relevant HR and related personnel to be responsible for fire safety training and education within the factory.
2. Create a Training Policy, Training Outline and Course Content that addresses specific fire training.
3. Create system to monitor and record such training.
4. Monitor implementation.

Action plan status: Completed

Progress update: 05/14/18 : We paid for workers to receive fire safety training.

Completion date: 02/09/18

FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory does not communicate the Recruitment, Hiring & Personnel Development policies and procedures and their updates to the general workforce.
2. The employment contract lacks specific information on working time and rest time (working hours per day and week; start and end shift times; working days per week; overtime and overtime-related provisions; start and end of break time; weekly days-off, annual days-off, holidays, personal leaves, unpaid leaves). It also lacks specific information on Personal Protective Equipment (PPE), such as the type, quality and expiration date. It further lacks information on promotions and wage increases.
3. The content of the apprentice contract does not comply with local law. It lacks information on the vocation being trained, the training location and duration, and the training cost. Moreover, the factory has not developed a training plan and program as required by local law.

Local Law or Code Requirement

Labor Code, Article 62.2, Decree No.05/2015/ND-CP, Article 4; Decree No.48/2015/ND-CP, Article 31.7; FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.16, ER.13.3, ER.29.1.1, ER.30.2, and ER.32; Child Labor Benchmark CL.8)

COMPANY ACTION PLANS

1. IA

1. Utilise the HR department or appoint a person responsible for HR functions.
2. Create a policy and best practice that works for the factory, to communicate its policies and procedures on Recruitment, Hiring & Personnel Development and updates to the general workforce.
3. Establish a communication policy and methodology and put it into practice, to specifically address and better communicate Recruitment, Hiring & Personnel Development.
4. Answer any questions.

SI

1. Train HR and related personnel on these new policies.
2. Include policies during worker orientation and trainings.
3. Include policies in worker handbook.

Action plan status: Completed

Progress update: 05/14/18 : Ms Thanh is responsible for about updating of policies and procedures for the following employment functions: recruitment, hiring & personnel development, hours of work, termination & retrenchment, workplace conduct & discipline, grievance system, and health & safety and update law to have implement and monitor. All policy and procedure send every unit to implement

Completion date: 02/09/18

2. IA

1. Create written policies and procedures outlining process for employment contracts.
2. Review employment contracts to ensure they include information on working time and rest time (working hours per day and week; start and end shift times; working days per week; overtime and overtime-related provisions; start and end of break time; weekly days-off, annual days-off, holidays, personal leaves, unpaid leaves), specific information on Personal Protective Equipment (PPE), such as the type, quality and expiration date; information on promotions and wage increases.
3. Provide all employees with education on the above and respond to questions.

SI

1. Train HR and related personnel on changes
2. Include in worker handbook.
3. Include changes on worker orientation and trainings.
4. Monitor implementation

Action plan status: Completed

Completion date: 05/07/18

3. IA

1. Create written policies and procedures outlining the content of the apprentice contract to ensure it complies with local law.
2. Review all apprentice employment contracts and identify those that do not comply with local law.
3. Provide all employees with training and a training plan and program as required by local law and respond to questions.
4. Include in the HR policy and procedures a review of apprentice training during their probationary period.

SI

1. Train HR and related personnel on changes
2. Include in worker handbook.
3. Include changes on worker orientation and trainings.
4. Create system to monitor regular performance reviews
5. Monitor implementation

Action plan status: Completed

Progress update: 05/14/18 : We have a training plan and program and the apprentice contract has information on the vocation being trained, the training location and duration, and the training cost. Currently, we are adjusting the apprentice contract

Completion date: 02/09/18