

FLA Monitoring Visit Profile	
Country	Vietnam
Factory name	010284113B
IEM	Global Standards
Date of audit	August 14, 2003
Days in the facility	2
PC(s)	adidas Salomon, Jansport
Number of workers	4,953
Product(s)	Sport Bags

Findings						Remediation					Updates			
FLA Code/Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	Factory Response	PC Follow Up	Documentation	Factory Response	PC Follow Up	Documentation
1. Code Awareness														
Worker/Management Awareness of Code		FLA Principles of Monitoring, Obligations of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Codes are posted, but awareness, communication and training are lacking or low. 24 out of 36 interviewed workers reported no Code training provided and did not know about codes.	record review; worker and management interviews		Global Standard Company is provided training to staffs and supervisors on 12/10/03 and 12/12/03. Factory's training plan is established for January to June 04 for training of laws and regulations to batch by batch workers. Conference meeting with worker union is conducted on 12/21/03.	To keep regular Code training to employees including workers, staffs, and management.		Further 6 months plan will be enhanced. Will further invite Global Standard Company to provide training in April.		record review, management interview			
Confidential Noncompliance Reporting Channel		FLA Principles of Monitoring, Obligations of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for reporting.	No communications channels exist to the PC. Internal channels exist, allowing workers to reach Mgt. Factory lacks documentation to show grievances are addressed.	record review; worker and management interviews		Suggestion boxes are installed at work floors. Written handling procedures are posted next to suggestion boxes.	To include and elaborate suggestion box policy during session training to employees and maintain register record for suggestion letters.		We made our suggestion Boxes which is connected directly to Management Board and is publicized by any means for the Comments. These letters are opened & solved every Friday.		record review; worker and management interviews			
2. Forced Labor														
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.														
Employment Records		Employers will maintain sufficient hiring and employment records to demonstrate and verify compliance with this Code provision	Lack of adequate employment records: 11 out of 43 reviewed records have no labor contracts, although they have been working since November 02-May 03. 597 short-term employees have no personnel files or labor contracts on file at the personnel Dept.. Monitors could not identify an accurate date of entry for these workers.	record review		From random selected 25 tested samples, 4 have resigned, the other 21 have labor contracts in worker files. Random selected another 7 interviewed workers from floor and their labor contracts are kept in their files, too. Total of 47 casual workers at unit A and 12 casual workers at unit B2 have labor contracts. No casual worker or seasonal worker for unit B3. Out of total 5,128 employees, details of about 4,000 worker files are completed whereas balance are under processing.	To complete all employee records.	April-04	All recruitment will be controlled only one center, Personnel Dept and all the procedures done correctly according to Labor law of Vietnam. All worker files have labor contracts		record review, management interview			
Freedom of Movement		If factory entrances are locked or guarded to prevent non-employee access to the premises for security reasons, employees will have free egress at all times.	Ability of workers to leave the factory, particularly during OT is limited. 10 out of 36 interviewed workers said that it's difficult to get a gate pass or take annual leave because they must obtain 3-4 signatures.	worker interview		All 12 interviewed workers, 5 from selected samples and 7 from random selected at workshops, respond overtime is voluntary and consent agreement sheet is signed. Overtime is at worker's own will. Written leave application policy and procedures are established.	Training to be included in laws and regulations training sessions.		We have been trained by Global Standards Company. Workers only have 2 signatures from line leaders & Factory Managers.		worker interview, record review.			
Freedom in Employment		All workers will have the right to enter into and to terminate their employment freely.	Factory does not maintain adequate records to demonstrate compliance. Temporary workers lack employment contracts. 597 short-term employees (based on the payroll records of July 2003) have no personnel files or labor contracts on file at the personnel Dept. Termination records are insufficient. (158 out of 178 resigned workers from Mar 2003) have no records of termination such as application, decision letter, reason for termination, record of paying severance benefits (if any). Factory has no clear procedure to identify or record reasons for worker's termination.	record review, worker interview		Recruitment procedures are established. 1 month probation contract is established with regular worker and 2 months seasonal contract is signed with seasonal workers. A multi-skill testing sheet approval signed by factory supervisor and factory manager to determine if regular employee contract to be signed after probation period or seasonal period. Employment history is kept in file for each worker. Out of total 5,128 employees, details of about 4,000 worker files are completed whereas balance are under processing.	To complete all worker file records.	April-04	We will have adequate records to demonstrate compliance.		record review			
3. Child Labor														
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.														
Age Documentation		Employers will maintain proof of age documentation for all workers, such as a birth certificate, which verifies date of birth.	Proof of age documentation is lacking or insufficient in many cases. 10 out of 43 records reviewed have no notarized copy of ID and/or residence book or birth certificate. Temporary/Seasonal workers have no proof of age records available on file in the personnel department. 2 out of 36 workers reported factory did not check original ID when hiring during rush/peak season. Monitors found 1 case in records reviewed where DOB on ID photo did not match DOB on birth certificate on file.	record review, worker interviews		Recruitment procedures are established. HR and personnel departments jointly will check validity of age documents on recruitment day to open file, personnel department will further check age document details on the reporting to work day. Currently, out of total 5,128 employees, details of about 4,000 worker files are completed, whereas the remainder are in process. Randomly selected 7 workers from workshops, found age document are properly kept in worker files. From selected 25 tested samples, 4 have resigned, 3 of the other 21 do not bear identity card copy in worker files.	To complete all worker file records with age proof documents.	April-04			record review, worker interview			
Legal Compliance for Juvenile Workers	Article 119, Article 122 of Labor Code, article 17, Decree No. 197/CP dated Dec 31, 1994. Juvenile worker is under 18 years of age. Work must not exceed 7 hours per day (42 hours/week), no OT work, Juvenile workers assigned to work the same job as normal workers, will receive the same wage. Annual leave: 14 days/year.	Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.	Management does not have a system to identify juvenile/underage workers and apply required legal protections. 7 out of 36 workers reported that there were some under-18 seasonal workers who used other's papers to apply for jobs at the factory.	record review; worker and management interviews		5 workers from selected samples and 7 from randomly selected samples at workshops; youngest age is 19. From factory tour, 3 seasonal workers without worker uniforms and age documents in file, showing the youngest to be 18. From 25 selected samples, 4 have resigned, 3 of the other 21 do not bear identity card copy in worker files and interviews proved the youngest one was age 19.	To complete all worker file records with age proof documents.	April-04	No juvenile workers.		record review; worker and management interviews			
Lack of Protection of Underage Workers		Employers will ensure that, all workers engaged in operating or working close to hazardous equipment, working at dangerous heights or lifting heavy loads, or exposed to hazardous substances, are above the legal age for such work.	No system for listing juvenile workers and tracking their job assignments is in place.			From document reviews, worker interviews, and randomly selected seasonal workers during touring, no juvenile worker is found.	To maintain frequent monitoring to recruitment policies.		No juvenile workers.		record review; worker and management interviews			
4. Harassment or Abuse														
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.														
Verbal Abuse		Employers will prohibit screaming, threatening, or demeaning verbal language.	Verbal abuse and threats are used at the factory. 13 out of 36 workers said supervisors often shout at workers. 4 out of 36 workers said that their supervisors had threatened to fire workers if they refuse OT.	worker interview		Global Standard Company is enlisted to provide training to staff and supervisors on 12/10/03 and 12/12/03. No abuse from 12 worker interviews. Factory should provide non-abuse training to expatriates either.	To provide regular non-abuse training to expatriates with record.	May-04	Regular trainings to all Vietnamese staff, factory managers and line leaders will be continued.		worker interview			
5. Nondiscrimination														
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.														
6. Health and Safety														
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.														
Fire Safety: Health and Safety Legal Compliance		Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	Factory is in possession of most required health and safety permits. Monitors found 2 air compressors without valid permits as required by law.	record review		Application letter sent to authority on 01/14/2004 for compressor inspection, but no inspection has been conducted. Need to expedite as required.	To check and get safety permit for compressors.	May-04	Will encourage authority to take inspection at factory, instead of taking apart compressor for inspection at authority site.		record review			
Document Maintenance/Accessibility		All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	MSDS sheets for glue bond chemical were not posted in work areas where the chemical was used, posted only in storage area.	visual inspection		MSDS sheets for glue bond chemical posted at wall of work areas. Workers cannot catch sight of instructions. Chemical safety training is provided once 02/02/2004 for relative workers. Suggest factory to make instruction card and stick next to each worker station desk position.	Will use instruction card to stick to each worker station desk.	April-04			visual inspection			

		Findings					Remediation					Updates		
FLA Code/Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	Factory Response	PC Follow Up	Documentation	Factory Response	PC Follow Up	Documentation
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Facility has a draft evacuation plan, but has not yet finalized and posted this in work areas. Drills have been held regularly.	visual inspection		Insufficient evacuation plan and not all exits have evacuation plan. No painted floor aisle lines for Rivet Division. Obstacles are placed at outside corridor of factory B3 unit leading to staircases.	To post evacuation plan near each exit and paint floor aisle lines with evacuation directions arrows for Rivet Division. To remove obstacles at corridors leading to staircases of building.	April 30, 2004			visual inspection			
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	No evidence of violation found.	visual inspection		No back-up batteries for fire alarm switches. Some fire extinguishers at factory B3 unit bearing 2001 inspection tags, no updated inspection tags on. Some fire extinguishers are blocked by finished goods cartons. 1 first aid kit at factory A unit sitting too close to electric circuit box.	To install back-up batteries for fire alarm switches, update annual inspection for fire extinguishers with tags on, keep fire extinguishers free from obstruction, move first aid kit to safer and accessible point.	30-Apr-04			visual inspection			
Personal Protective Equipment (PPE)		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	PPE was supplied and available, but workers in 1 cutting area were seen not wearing cutting gloves until after monitors arrived. Workers applying glue used no PPE.	visual inspection		No evidence of violation found.	To establish written PPE policies to be posted at relative department and include topic to monthly safety training sessions.	30-Apr-04	The area supervisors have checked, the iron gloves of cutting department.		visual inspection			
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	Workers using chemicals do not receive any special training in chemical use. Factory has general health and safety training for some production workers.	record review, management interview		Chemical safety training is provided to relative workers once on 02/02/2004. Need to include chemical safety training topic in monthly training schedule.	To include chemical safety training topic to monthly training schedule.	30-Apr-04	Will have a plan and provide training accordingly.		record review, management interview			
Chemical Management for Pregnant Women and Juvenile Workers		To prevent unsafe exposure to hazardous chemicals, appropriate accommodations shall be made for pregnant women and minors as required by applicable laws in a manner that does not unreasonably disadvantage employees.	Factory has an adequate system for tracking job assignments for pregnant women and nursing mothers as required by law, but fails to track juvenile workers.	record review, management interview		Factory has an adequate system for tracking job assignments for pregnant women and nursing mothers as required by law. No juvenile workers from checking to 25 tested samples and from 12 worker interviews. 2 interviewed workers are pregnant workers; legal work hours regulation is followed.					record review, worker and management interviews			
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	1 die cutting press designed for 2-hand safety operation was seen operated with 1 hand, the second switch was disabled.	visual inspection		No safety covers for ventilation fans at factory A unit. No mesh covers for electric standing fans at factory B2 unit. No fencing for compressor location.	To install safety covers for ventilation fans, mesh covers for electric standing fans, protection fence for compressors.	30-Apr-04			visual inspection			
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees.	No Worker Safety Committee or other mechanism for worker participation in safety planning exists at the factory.	record review, management interview		H&S Committee is established on 01/10/2004 with 14 members. Fire safety training is provided to 50 assigned employees on March 1-4 with recognized certificates issued on March 5, 2004 valid for 2 years. No H&S Committee meeting is scheduled.	To conduct regular H&S Committee meeting with record.	30-Apr-04			record review, management interview			
Other						Some workers are noticed operating sewing machines barefoot. Too much idle carton boards are placed at cartoning section.	To encourage workers to put on sandals or slippers for machine operation by posting safety instructions at workshops. To keep carton boards at cartoning section for one day use only.	30-Apr-04			visual inspection			
7. Freedom of Association and Collective Bargaining														
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.														
8. Wages and Benefits														
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits														
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law.	Factory provides limited training to workers on its wage system orally, but NOT in writing. Temporary workers may not receive any training or explanation. 4 seasonal workers said they did not know how to calculate their pay/just multiply daily rate by number of working days.	worker interview		Training sessions are scheduled for January to June to include labor laws and regulations training. No negative responses from 12 worker interviews. However, workers do not understand sick leave policy.	To establish written leave policies including sick leave and provide training during training sessions.	March 30, 2004.	This topic also will be included at the training program.		record review, worker interview			
Payroll Reporting		Accurate and reliable payroll reporting, including pay stubs will be provided.	Factory pays according to the manual time list filled out by supervisors. Swipe time records are inaccurate. Monitor could not verify accuracy of payroll reporting due to inconsistent/missing records.	record review, worker and management interviews		Factory pays according to the manual time list filled out by supervisors. Inaccurate swipe time records happened in November and December. Program is fixed and scale is enlarged for use from January.			Because swipe card program cannot cope with current huge numbers of employees. System fixed and scale is enlarged for use from January. No swipe card		record review, worker and management interviews			
Time-Recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	Factory has a computer time swipe system, but fails to use it or deliberately misuses this system. Computer time records are not accurately kept or used. Hours worked were not consistent between computer swipe time records, payroll and daily manual attendance reports. No swipe card for seasonal workers: seasonal workers said the hours of work were completed by supervisor on a manual list.	record review, worker interview		Factory pays according to the manual time list filled out by supervisors. Inaccurate swipe time records happened in November and December. Program is fixed and scale is enlarged for use from January. Punch time card records are kept for probationary workers and seasonal workers.			Hours worked are consistent between computer swipe time records, payroll and daily manual attendance reports.		record review, worker interview			
Legal Benefits	VN Labor Code, Ch.10, Article 115: An employer must not allow a female employee who is 7 months or more pregnant or currently raising a child under 12 months old to work 7 hours per day with full pay, no overtime or at night.	Employers will provide all legally mandated benefits to all eligible workers.	Pregnant workers and nursing mothers are entitled to reduced working hours with full pay under the law and prohibited from working OT, but factory records show that factory does not meet legal requirements. 3 out of 3 records of pregnant workers reviewed showed OT work. 6 out of 36 workers were not aware of laws/rules on special treatment for pregnant workers. It was reported that some pregnant women or women with small children leave 5 minutes early.	record review, worker interview		Pregnant workers and nursing mothers are entitled to reduced working hours with full pay under the law and prohibited from working OT. 2 of 12 workers are pregnant workers who worked maximum 7 work hours per day, no overtime work once after 7 month of pregnancy. During 1st year of breastfeeding, 3 paid check-up days are provided. No evidence of violation found from record review.	To include legal benefits in the monthly laws and regulation training session.		Continuously training to factory Human Resources, line leaders. Global Standards Company has trained them 2 times. All documents of pregnant workers and nursing mothers are on file.		record review, worker interview			
Accurate Recording of Wage Compensation		All hourly wages, piecework, bonuses, and other incentives will be calculated and recorded accurately.	Working hour recording system is not accurate or transparent. Monitors found it impossible to verify either hours worked or the accuracy of hours paid in the absence of credible, accurate and consistent time records. Review of OT working hours in payroll and computer swipe time records in July 2003, revealed large discrepancies in OT hours worked. OT hours paid are higher than hours in swipe records. Payroll appears to be calculated from manual check lists completed by supervisors, but this is not verifiable or approved by workers. 3 out 36 workers reported supervisors sometimes swipe time cards for workers before shift ends, recording extra hours manually. 11 out of 36 workers said factory sometimes pays short OT hours (a few OT hours/month).	record review, worker interview		Factory pays according to manual time list filled out by supervisors. Inaccurate swipe time records happened in November and December. Program is fixed and scale is enlarged for use from January. Punch time card records kept for probationary workers and seasonal workers. 12 workers responded that they swipe or punch their own card. Manual attendance record is taken in parallel. New payroll statement enhanced from November. No evidence of violation found.					record review, worker interview			
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Factory has multiple time and payroll records with significant discrepancies which indicate an effort to conceal excessive OT work. Daily computer swipe time records prior to July 2003 which might have allowed monitors to verify hours unavailable, as time swipe data transferred from time recording system to payroll system and deleted, according to payroll staff and management.	record review, management interview		Factory pays according to manual time list filled out by supervisors. Inaccurate swipe time records happened in November and December. Program is fixed and scale is enlarged for use from January. Punch time card records kept for probationary workers and seasonal workers. 12 workers responded that they swipe or punch their own card. Manual attendance record is taken in parallel. New payroll statement enhanced from November. No evidence of violation found.					record review, management interview			
Accurate Benefit Compensation	Decree No. 44/2003/ND-CP May 9, 2003-- Article 14.- 3.a. Working seniority for calculation of severance allowance means the total time amount for working under concluded labor contracts (including orally concluded contracts), during which laborers have actually worked for employers/	All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled.	Factory employs many temporary workers, some of whom eventually sign long term contracts. For these workers, factory has no clear or accurate system to record date of entry, as required by law for calculating severance benefits.	record review, management interview		No temporary workers at factory. Worker history is enhanced for each worker file including probationary contract or seasonal contract, and regular contract. Out of total 5,128 employees, details of about 4,000 worker files are completed, whereas balance are under processing.	To complete details of each worker file.	1-Apr-04			record review, management interview			
9. Hours of Work														

FLA Code/Compliance Issue	Legal Reference	FLA Benchmark	Findings				Remediation					Updates				
			Monitor's Findings	Documentation	Best Practice	PC Internal Audit Findings	PC Remediation Plan	Target Completion Date	Factory Response	PC Follow Up	Documentation	Factory Response	PC Follow Up	Documentation		
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.																
Overtime Limitations	Labor Code, Article 69: An employer and an employee may agree on additional working hours provided that number of additional hours worked is no more than 4 hours a day or 200 hours annually, except in a number of special cases where the number of additional hours worked is no more than 300 hours annually as stipulated by Government after consulting the Vietnam General Confederation of Labor and representatives of employers.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Factory exhibits chronic, excessive use of OT far in excess of code and legal standards. Study of 22 workers' OT from January-June 2003. Highest was in May 2003, worked 26.25 regular OT and 12.63 Sunday OT (total 38.88 OT hours) per week. Sample average: 19.4 regular OT and 6.3 Sunday OT (25.7 OT hours) per week. 26/36 workers said they work too much OT, often work until 10pm or even 2am and on Sundays.	record review; worker and management interviews		From 25 selected samples for November-January attendance records, 4 found resigned, another 4 are new workers joining in February. Based on 17 tested samples, 4 of 17 have 5.10 OT hours December 10 and 11; 1 of 17 has 5.10 OT hours December 17. 4 of 17 have Sunday work November 16; 2 of 17 have Sunday work December 7; 4 of 17 have Sunday work December 14; 3 of 17 have Sunday work December 21; 8 of 17 have Sunday work on January 4; 3 of 17 have Sunday work January 11. 6 of 17 have legal holiday work on Calendar New Year day. Lieu leave January 19 and 20 provided to workers performing Sunday work December 28 or January 4 and January 11 with lieu leave notice in record. From 12 worker interviews, maximum 3 days of OT in a week and maximum 4 OT hours per day in January and February, OT is voluntary and voluntary OT consent is signed.	To follow legal regulation of maximum 4 overtime hours in a day.	From January 2004.	5.10 OT hours in a day happened in December; have followed maximum 4 OT hours in a day from January and maximum 60 work hours per week, including OT.			record review; worker and management interviews				
Overtime Limitations	Labor Code, Article 72: In every week, each employee shall be entitled to a break of at least 1 day (24 consecutive hours).	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	1 day off in every 7-day period not provided. Review of 22 cases, from January-June 2003, found all workers worked on Sunday from 4 up to 50.5 Sunday hours in a month. 9/36 workers said Sunday work without day off during peak production.	record review; worker and management interviews		1 day off in every 7-day period not provided. From 25 selected samples for November-January attendance records, 4 found resigned, another 4 are new workers joining in February. Based on 17 tested samples, 4 of 17 have Sunday work November 16; 2 of 17 have Sunday work December 7; 4 of 17 have Sunday work December 14; 3 of 17 have Sunday work on Dec. 21, 8 of 17 have Sunday work on Jan. 4, and 3 of 17 have Sunday work January 11. 6 of 17 have legal holiday work on Calendar New Year day. Lieu leave January 19 and 20 provided to workers performing Sunday work December 28 or January 4 and January 11 with lieu leave notice in record. From 12 worker interviews, maximum 3 days of OT in a week and maximum 4 OT hours per day in January and February, OT is voluntary and voluntary OT consent is signed. Lieu leave provided for Sunday work.	To provide 1 day rest in a week as required, though lieu leave is provided.	April-04			record review; worker and management interviews					
Reduce Mandated OT		The employer will demonstrate a commitment to reduce mandated overtime and to enact a voluntary overtime system to meet unforeseen situations.	Management acknowledged the OT problem, but has no solution to reduce OT and make OT voluntary.	management interview		From record review of November-January, weekly working hours from Monday to Saturday controlled within 60 work hours, including OT. However, Sunday work happened November 16, December 7 and 14, January 4 and 11 though leave is provided on January 19 and 20 for 2 Sunday works.	Will accomplish by implementation of work shift or consent agreement in case Sunday work is needed and provide lieu leave as policy.	April-04	Already improved to maximum 60 work hours per week from Monday to Saturday, including OT.		record review, management interview					
Explanation of Continued Required OT		If the employer repeatedly requires overtime in order to respond to the same situation, the employer will explain why it will not have sufficient staff on hand to avoid the necessity of overtime.	Management blames OT requirements on seasonality of work orders. Orders are concentrated during a 6-month period with a lack of orders during the rest of the year (low season).	record review, management interview		Management blames OT requirements on seasonality of work orders. Orders are concentrated during a 6-month period with a lack of orders during the rest of the year (low season).	Will accomplish by implementation of work shift or consent agreement in case Sunday work is needed and provide lieu leave as policy.	April-04			record review, management interview					
Legal Compliance with Protected Workers		The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18.	No protections from OT or reduced working hours for juvenile workers. Factory does not strictly comply with provisions on working hours of pregnant women & nursing mothers.			No juvenile worker and no evidence of violation found from 12 worker interviews including 2 pregnant workers. Legal work hours regulation of maximum 7 work hours per day and prohibited overtime once conceiving up to 7 full months and during 1st year of breast feeding are known.	To keep frequent monitoring to recruitment policies and work hours regulation for pregnant worker and to include topic in the monthly laws and regulations training session.		No juvenile workers		record review, worker interview					
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	Involuntary OT work: Management has a record which they claim is a voluntary OT sign up. However, after worker interviews and follow-up questioning, management admitted that OT work is not really voluntary. 14 out of 36 workers said they cannot refuse/find it difficult to refuse OT, reporting supervisors threaten to fire workers who refuse OT.	record review; worker and management interviews		From 12 worker interviews, overtime is voluntary and consent agreement is signed.	To keep on maintenance record for voluntary overtime sign-up.		We have a voluntary overtime sign-up		record review; worker and management interviews					
10. Overtime Compensation																
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																
OT Breaks	Circular 15/2003-TT-BLDTBXH, June 3, 2003 providing detailed guidance on overtime work according to Decree 109/2002 dated Dec 27, 2002 effective from 2003, facility shall provide 30 minutes paid rest with OT pay rate to workers who work from 10 hours per day.	Employers will ensure reasonable meal and rest breaks, which, at a minimum, must comply with local laws.	Legally mandated benefits not provided. Factory has not implemented law requiring paid rest break for workers who work more than 10 hours in a day.	record review, management interview		From record review and worker interviews, 1/2 hour dinner break is provided and counted as overtime for 4 overtime hours. No evidence of violation found.			We have paid rest break for workers who work more than 10 hours in a day.		record review; worker and management interviews					
Accurate Recording of OT Hours Worked?		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work.	Monitor could not verify the accuracy of OT compensation in the absence of accurate time records. In 1 payroll system, management has converted Sunday OT hours (paid 2x) into weekday OT hours (paid 1.5x), eliminating Sunday OT and greatly increasing regular OT.	record review, management interview		Factory pays according to the manual time list filled out by supervisors. Inaccurate swipe time records found for November and December. Program fixed and scale enlarged for use from January. Punch time card records kept for probationary workers and seasonal workers. 12 workers responded that they swipe or punch their own cards. Manual attendance record taken in parallel. New payroll statement enhanced from November onwards. No evidence of violation found.			Hours worked are consistent between computer swipe time records, payroll and daily manual attendance reports.		record review, management interview					
Miscellaneous																

