2010

Fair Labor Association
Independent External Monitoring Report

COMPANY: Columbia Sportswear Company
COUNTRY: Vietnam
FACTORY CODE: 5000841041I_Vietnam
MONITOR: Global Standards
AUDIT DATE: June 16, 2010
PRODUCTS: Garments
PROCESSES: Screen Printing
NUMBER OF WORKERS: 88

For an explanation on how to read this report, please visit the FLA website here.

FAIR LABOR ASSOCIATION

CONTENTS:

Wages, Benefits and Overtime Compensation: Minimum Wage 3

Freedom of Association: Right to Freely Associate 4

Freedom of Association: Deduction of Union Dues and Other Fees 5

Freedom of Association: Grievance Procedure 6

Child Labor: Employment of Young Workers 7

Code Awareness: 8

Health and Safety: Worker Consultation 9

Health and Safety: Health and Safety Management System 10

Health and Safety: Permits and Certificates 11

Health and Safety: Evacuation Requirements and Procedure 12

Health and Safety: Safety Equipment and First Aid Training 14

Health and Safety: Personal Protective Equipment 15

Health and Safety: Chemical Management and Training 16

Health and Safety: Material Safety Data Sheets/Worker Access and Awareness 17

Health and Safety: Drinking Water 18

Hours of Work: General Compliance Hours of Work 19

Hours of Work: Rest Day 21

Hours of Work: Meal and Rest Breaks 23

Hours of Work: Extraordinary Business Circumstance/Forced Labor 24

Hours of Work: Annual Leave 25

FAIR LABOR ASSOCIATION

Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

Noncompliance

Explanation:	Monitors found 2 cases where 2 workers were paid less than the minimum wage, for a period of 2 months (from March 16 to April 30, 2010; 900,000 VND versus 980,000 VND). Factory then increased wages to 1,000,000 VND from May for these workers, but has not issued back pay to correct these temporary underpayments. Legal reference: Decree No.97/2009/ND-CP
Plan Of Action:	1. Establish policy of paying minimum wage of 1,000,000 VND per month. 2. Post an announcement and provide training to inform workers about the changes. 3. Start guaranteeing a minimum of 1,000,000 VND per month starting June 2010.
Deadline Date:	07/20/2010
Action Taken:	As of June 2010, the supplier has provided proof of paying the minimum wage of 1,000,000 VND per month. However, they have neither provided proof that a written policy is in place nor proof of announcement or training to the workers. Supplier agreed to provide back wages on November 3rd for the two workers to reach the minimum wage for the period March 16 through April 30, 2010.
Plan Complete:	No
Plan Complete Date:	

FAIR LABOR ASSOCIATION

Freedom of Association: Right to Freely Associate

FOA.2 Workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers. (S)

Noncompliance

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

[Note that the temporary labor union in the facility was set up in 2005; however, its term expired November 2006, with no official election held or permanent union formed. Now, The Union Leader is a QC staff and the CBA was signed and registered with SOLISA of [District name] district on December 11, 2009. The CBA was posted for workers before, but then removed to add new information. Around 74% of workers are members of the union. Union fee is 8,000 VND/month and deducted from members' salaries without the written consent of individual workers.]

Plan Of Action:

1. Provide training on related laws and customer's Code of Conduct regarding freedom of association. Explain the mechanism of the labor union election (nominees list: self-nominated, suggested nomination, freedom in electing the leader) and how to perform the election rights.

2. Establish list of nominees from the input of workers.

3. Assist the workers in conducting official election to form permanent labor union.

4. Labor union leader to hold regular meetings with minutes, and keep the minutes on file for verification purposes.

Deadline Date: 11/30/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

Freedom of Association: Deduction of Union Dues and Other Fees

FOA.4 Employers cannot deduct union membership fees or any other union fees from workers' wages without the express and written consent of individual workers, unless specified otherwise in freely negotiated and valid collective bargaining agreements. (S)

Noncompliance

Explanation: Most workers have had union membership fees deducted from their monthly salaries (whether or not they are union members). No record of expressed, written consent from individual workers to deduct union membership fees found.

Plan Of Action: 1. Create written consents for all union members to sign that they agree with union membership fee.

2. Post and make an announcement to the workers on the consents needed.

Deadline Date: 08/10/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation:	Grievance system is not functional. Suggestion box is located in the workshop without clear instructions or letters from workers.
Plan Of Action:	1. Establish grievance procedure. 2. Post the procedure next to the suggestion boxes with clear instructions to the workers. 3. Provide trainings to the workers on the grievance procedure, channels, time frame for responses and encourage the workers to use the suggestion box.
Deadline Date:	08/20/2010
Action Taken:	Columbia's visit on October 28th verified the factory has established a grievance procedure and posted clear instructions next to the suggestion boxes. Still need to provide training.
Plan Complete:	No
Plan Complete Date:	

FAIR LABOR ASSOCIATION

Child Labor: Employment of Young Workers

CL.6 Employers shall comply with all relevant 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. (P)

Noncompliance

Explanation:	One worker is under 18 years old (born 1993) and working in the factory at normal hours plus overtime without special protection as per law. Legal reference: Labor Code, Article 121,122
Plan Of Action:	1. Establish hiring policy, including requirements on hiring age. 2. Establish hiring procedure with age verification process. 3. Train HR and inform all workers of the hiring policy and procedure. 4. Recheck all employee files for age verification. 5. Implement special protection and working hours for the minor(s) found.
Deadline Date:	11/30/2010
Action Taken:	Columbia's visit on October 28th verified: 1 & 2: Hiring policy and procedure have been established. 3: HR and 18 out of 20 employees confirmed they have attended the training; 2 out of 20 did not remember.
Plan Complete:	No
Plan Complete Date:	

FAIR LABOR ASSOCIATION

Code Awareness:

GEN.2 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.

Noncompliance

Explanation:	No Code of Conduct poster of the FLA affiliate is available in the factory, and no training provided yet.
Plan Of Action:	1. Post Columbia Standards of Manufacturing Practices (SMP) Poster in Vietnamese on the work floor for all workers to read. 2. Provide training to the workers on Columbia Code of Conduct.
Deadline Date:	09/09/2010
Action Taken:	Columbia's visit on October 28th verified: 1. Columbia's SMP poster is posted on the work floor. 2. Columbia Code of Conduct training provided to some of the workers: 5 out of 20 interviewed workers confirmed have received training, 10 out of 20 did not remember whether they had training or not, 5 workers have not had training.
Plan Complete:	No
Plan Complete Date:	

FAIR LABOR ASSOCIATION

Health and Safety: Worker Consultation

H&S.4 The health and safety policy shall be developed and implemented in consultation with workers or their representatives. (P)

Noncompliance

Explanation:	Health and Safety committee was formed but does not have regular meetings or reports (at least every 6 months) to review and improve safety. Legal Reference: Joint Circular No. 14/1998/TTLT-BLDTBXH-BYT-TLDLDVN.
Plan Of Action:	1. Conduct bi-annual Health and Safety meetings. Set schedule to have meetings in the 1st and 3rd quarters. Responsible person: [Employee name] 2. Assign Health and Safety committee secretary to establish and maintain the meeting minutes. Responsible person: [Employee name]
Deadline Date:	07/26/2010
Action Taken:	Columbia's visit on October 28th verified: The first Health and Safety meeting was conducted on July 26th. The next meeting is scheduled for January.
Plan Complete:	Yes
Plan Complete Date:	07/26/2010

FAIR LABOR ASSOCIATION

Health and Safety: Health and Safety Management System

H&S.5 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which employers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns and procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed. (P)

Noncompliance

Explanation:	There is no Health and Safety Management system in place.
Plan Of Action:	1. Create written policy on health and safety. Responsible person: HR Manager, [Employee name]. 2. Conduct regular meetings of the legal/code required for Health and Safety Committee, with minutes of issues reviewed and actions taken, including reviews of any accidents or work-related health issues. Responsible persons: [Employee name], [Employee name], [Employee name] (Health and Safety Committee members)
Deadline Date:	12/31/2010
Action Taken:	
Plan Complete:	No
Plan Complete Date:	

FAIR LABOR ASSOCIATION

Health and Safety: Permits and Certificates

H&S.8 The employer shall at all times be in possession of all legally required and valid permits and certificates related to health and safety issues, such as those related to the purchase and storage of chemicals, fire safety inspections, inspection of machinery, and (chemical) waste disposal. (P)

Noncompliance

Explanation:	Air compressor has not been inspected and certified for safety. Legal reference: Circular No. 04/2008/TT-BLĐTBXH
Plan Of Action:	1. Inspect and certify air compressor for safety. Responsible person: [Employee name] (electrical)
Deadline Date:	07/20/2010
Action Taken:	Columbia's visit on October 28th verified: Air compressor has been inspected and certified for safety; factory has certification paperwork.
Plan Complete:	Yes
Plan Complete Date:	10/28/2010

FAIR LABOR ASSOCIATION

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: 1. Factory lacks a fire hose-hydrant system and updated fire fighting plan requested by local fire department, as per inspection dd April 21, 2010.

Legal reference: TCVN2622-1995

2. Fire training is conducted annually by fire department, but there is no record of evacuation drill being conducted.

3. Electrical system, grounding and lighting protection have not been tested regularly.

Legal reference: TCVN4756-89

Plan Of Action:

1. Fire hose-hydrant system:
Responsible person: [Employee name]
a) Establish plan to install the fire hose-hydrant.
b) Obtain approval from the fire department.
c) Install a fire hose-hydrant system.
d) Update fire fighting plan.

2. Fire training:
Responsible persons: [Employee name], [Employee name]
a) Conduct and record evacuation drill
3. Electrical system
a) Test electrical system, grounding and lighting protection annually

Deadline Date: 03/31/2011

Action Taken:	Columbia's visit on October 28th verified: 1a. The fire fighting plan has been in place since 2005. At the time of the IEM, the factory had sent it off to the fire department for review. The plan has been returned to the factory and they will keep it on record. Columbia verified the plan is in place and maintained at the factory. 2. All workers confirmed that an evacuation drill has been conducted.
Plan Complete:	No
Plan Complete Date:	

FAIR LABOR ASSOCIATION

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: 1. First aid boxes are not present in factory or dormitory areas; no first aid training given either.

Legal reference: Decree No. 06/CP, Clause 5

2. Fire extinguishers are not checked regularly. No fire extinguisher exists on ground floor of dormitory.

Plan Of Action: 1. First aid boxes.
Responsible person: [Employee name]
a) Provide first aid kits in the factory and dormitory.
b) Provide first aid training.

2. Fire extinguishers.
Responsible person: [Employee name] (electrical)
a) Provide fire extinguishers in the factory and dormitory.
b) Check all fire extinguishers monthly.

Deadline Date: 11/30/2010

Action Taken: Columbia's visit on October28th verified:

1. First aid boxes have been provided in the dormitory. Workers still need first aid training.

2. Fire extinguishers have been put up in the dormitory and factory floors, with tracking charts for monthly inspection.

Plan Complete: No

Plan Complete Date:

Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal 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 health and safety hazards, including medical waste. (S)

Noncompliance

Explanation: PPE for chemical use is not used and available in spot cleaning and other areas. Ventilation is minimal and testing has not been done for chemical risks and volatile organic compound (VOC) levels.

Plan Of Action:

1. Install new fans and sucking fans to improve ventilation.

Responsible person: [Employee name]

2. Conduct test on chemical risk and VOC levels.

Responsible person: [Employee name]

3. Provide policy on using PPE.

Responsible person: [Employee name]

4. Provide PPE and awareness training to the workers, so that they must use PPE as applicable.

Responsible person: [Employee name]

Deadline Date: 02/28/2011

Action Taken: Columbia's visit on October 28th found:

1. New fans have been installed, ventilation improved.

3. PPE policy has been established.

4. PPE not yet provided (factory explained that the workers do not want to use it). Workers not observed using PPE, although interviews confirmed that they know they should use PPE and which PPE is applicable for their jobs.

Plan Complete: No

Plan Complete Date:

Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

Noncompliance

Explanation: Hazardous chemicals are not always labeled in production area. Workers are not trained in chemical use or aware of hazards or proper PPE use. Used chemical containers are not stored properly.

Legal reference: Chemical Law, Clause 30,35

Plan Of Action: 1. Properly label all hazardous chemicals.

Responsible persons: [Employee name], [Employee name], [Employee name] (supervisor)

2. Provide training to workers on chemical use, hazards and proper PPE use.

Responsible person: [Employee name]

3. Store used chemical containers properly.

Responsible person: [Employee name]

Deadline Date: 09/10/2010

Action Taken:	Columbia's visit on October 28th verified: 1. Chemicals have been properly labeled.
Plan Complete:	No
Plan Complete Date:	

Health and Safety: Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Noncompliance

Explanation:	MSDS information is not available or accessible to workers or those in charge of chemicals. Legal reference: Chemical Law, Clause 30
Plan Of Action:	1. Provide MSDS for all chemicals in local language. Responsible persons: [Employee name], [Employee name], [Employee name] (supervisor) 2. Provide training for workers in charge of chemicals. Responsible person: [Employee name] 3. Post MSDS in production areas and chemical storage areas where chemicals are stored and used. Responsible person: [Employee name]
Deadline Date:	11/30/2010

Action Taken:

Plan Complete: No

Plan Complete Date:

Health and Safety: Drinking Water

H&S.26 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature and the means to drink water (cups, etc.) must be safe and sanitary and available in an appropriate number. (S)

Noncompliance

Explanation: Drinking water is provided free, but water is not tested regularly.

Legal reference: Decision No. 09/2005/QĐ-BYT

Plan Of Action: Test drinking water biannually. Factory to keep test results on file for verification.

Responsible person: [Employee name] (maintenance)

Deadline Date: 08/16/2010

Action Taken: Columbia's visit on October 28th verified:

Pasteur Institute (authorized testing center) tested the water on August 23, 2010 with passing results. Drinking water will be tested by Pasteur biannually.

Plan Complete: Yes

Plan Complete Date: 10/28/2010

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: Overtime hours are in excess of legal and code limits (4hrs/day, 12hrs/week) in January and April 2010.

January 2010:
1/25 cases worked 63 hrs/week for 1 wk in month;
3/25 cases worked from 63 - 68 hrs/wk for 2 weeks in month;
9/25 cases worked from 61 - 68 hrs/wk for 3 weeks in month;
4/25 cases worked from 61 - 68 hrs/wk for 4 weeks in month.

April 2010:
9/25 cases worked from 61 - 63 hrs/wk for 1 week in month.

May 2010:
No cases found worked over 60 hrs/wk in month.

Legal reference: The Labor Code, Article 69 [the number of additional hours worked shall not exceed 4 hours a day, 16 hours per week and 300 hours a year]

Plan Of Action:

1. Establish overtime (OT) policy with OT maximum of 4 hours per day and 12 hours per week.

2. Inform all workers of the OT policy.

3. Install all-glass tables for printing, which increases productivity.

4. Train 2 additional technicians to form 2 teams of 2 technicians per team. When the factory is running 2 shifts, each team will work one shift, instead of working 2 consecutive shifts, as was the previous practice.

5. Purchase 1 more auto press machine, to add 60% more productivity.

6. For continual monitoring of the progress of improvement, factory is to send monthly OT tracking charts to Columbia field team for review.

7. Work with the main production facility to have them send more even orders to help control peaks and valleys in working hours.

Deadline Date: 01/30/2011

Action Taken: Columbia's visit on October 28th verified:

August, September and October 2010 time records show overtime (OT) did not exceed the 4 hour daily and 12 hour weekly limits.

1. OT policy has been established, but only specifies 12 hours maximum weekly OT; suggested to add daily OT limit of 4 hours per day as well.

2. 15 out of 20 employees confirmed they have attended the OT policy training, 5 out of 20 did not remember. This is the low season for the factory, so they do not have OT to monitor at this time. We will continue to monitor their OT in future visits, to ensure the policy is being followed and the factory has implemented a management system of continuous improvement.

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

Noncompliance

Explanation: Workers worked from 1 to 5 Sundays a month in January, April and May 2010.

January 2010:
5/25 cases worked on 3 Sundays in month;
14/25 cases worked on 4 Sundays in month;
1/25 case worked on 5 Sundays in month.

April 2010:
3/25 cases worked on 1 Sunday in month;
2/25 cases worked on 2 Sundays in month.

May 2010:
3/25 cases worked on 1 Sunday in month;
5/25 cases worked on 2 Sundays in month;
1/25 cases worked on 3 Sundays in month.

Legal reference: Labor Code, Art 72 [Employees are entitled to rest of at least 1 day (24 consecutive hrs) a week. In exceptional circumstances where weekly leave cannot be arranged due to labour cycles, employees shall receive at least 4 days of rest/month]

Plan Of Action:

1. Establish overtime (OT) policy with no Sunday work.

2. Inform all workers of the OT policy.

3. Install all-glass tables for printing to increase productivity.

4. Train 2 additional technicians to form 2 teams of 2 technicians per team. When the factory is running 2 shifts, each team will work one shift, instead of working 2 consecutive shifts, as was the previous practice.

5. Purchase 1 more auto press machine, to add 60% more productivity.

6. For continual monitoring of the progress of improvement, factory is to send monthly OT tracking charts to Columbia field team for review.

7. Work with the main production facility to have them send more even orders to help control peaks and valleys in working hours.

Deadline Date: 01/30/2011

Action Taken: Columbia's visit on October 28th verified:

August, September and October 2010 time records show no Sunday work.

1. OT policy has been established.

2. 15 out of 20 employees confirmed they have attended the OT policy training, 5 out of 20 did not remember.

3. The all-glass tables have been installed, which will help increase productivity. This is the low season for the factory, so they do not have OT to monitor at this time. We will continue to monitor their OT in future visits, to ensure the policy is being followed and the factory has implemented a management system of continuous improvement.

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Hours of Work: Meal and Rest Breaks

HOW.3 Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with local laws. (S)

Noncompliance

Explanation: Factory does not pay workers for 30 minute dinner breaks when overtime exceeds 2hrs/day.

Legal reference: Decree No. 109/2002 and Circular No. 15/2003/TT-BLDTBXH [In cases where laborers work overtime for more than 2 hours a day, before the overtime work, employers must arrange for them an additional rest time of least 30 minutes which shall be counted into the overtime].

Plan Of Action: 1. Establish a policy of providing a 30 minute dinner break for the workers when daily OT exceeds 2 hours.

2. Post the announcement on the work floor and inform the workers.

3. Implement the dinner break from either 6pm or 6:30pm for duration of 30 minutes when OT exceeds more than 2 hours.

Deadline Date: 11/30/2010

Action Taken: Columbia's visit on October 28th verified:

1. The dinner break policy has been established.

2. 10 out of 20 employees confirmed they have attended the training, 5 out of 20 did not know as they are new and have yet to work more than 2 OT hours per day, 5 did not know.

3. Could not verify dinner break on time cards, as the workers are only punching in and out at the start and finish of the work day, and are not punching in and out during breaks.

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Hours of Work: Extraordinary Business Circumstance/Forced Labor

HOW.11 In case of extraordinary business circumstances, employers shall make reasonable efforts to secure voluntary overtime work prior to mandating involuntary overtime. Employers must get workers voluntary consent periodically for all overtime that is above the 12 hours as provided for in the Code and that is not due to extraordinary business circumstances. (P)

Noncompliance

Explanation: There are no records available showing that any work over 60 hrs was voluntary.

Legal reference: Article 69 of Labor Code and Decree No. 109/2002/ND-CP and Circular No.15/2003/TT-BLDTBXH [An agreement shall be made to individual employees on overtime]

Plan Of Action:

1. Create overtime (OT) registration form for the workers to voluntarily register for OT work over 60 hours per week.

2. Establish OT policy on voluntary OT over 60 hours per week.

3. Inform all workers on the policy.

4. On a daily basis, HR will monitor the overtime accumulated for that week (starting each Monday). Once the worker reaches 12 hours of OT, the factory has the worker voluntarily sign the form that they will voluntarily work additional OT.

Deadline Date: 08/10/2010

Action Taken: Columbia's visit on October 28th found:

1. An overtime registration form has been created. The factory has made an incorrect assumption to ask all workers to sign it when working any OT. They will change the policy to use OT registration form only when OT exceeds 60 hours per week.

Columbia will verify this change has been implemented during our next visit in January 2011.

Plan Complete: No

Plan Complete Date:

FAIR LABOR ASSOCIATION

Hours of Work: Annual Leave

HOW.14 Employers shall provide workers with paid annual leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation:	All workers in this factory should be entitled to 14 days annual leave instead of 12 days. Legal reference: Article 74 of Labor Code and Decree No. 195/CP [Workers are entitled to annual leave of 14 working days in conformity with the list of hard, harmful, dangerous work and areas with hard conditions of life, stipulated by the MOLISA and MOH]
Plan Of Action:	1. Establish announcement on providing 14 days of annual leave instead of 12. 2. Post the announcement on the work floor to inform the workers of the changes. 3. Provide annual leave refresher training for all workers. 4. Start providing 14 days of annual leave starting in 2010.
Deadline Date:	08/15/2010
Action Taken:	Columbia's visit on October 28th verified: 1. The announcement has been established. 2. 10 out of 20 employees know they have 14 days of annual leave, others said they think they only get 12 days. Suggest that the factory retrains the workers.
Plan Complete:	No
Plan Complete Date:	