

FLA Audit Profile

Factory Code	500084173H
Country	Vietnam
FLA Affiliate	Columbia Sportswear
Monitor	Global Standards
Audit Date	August 18, 2009
Products	Embroidery
Processes	Embroidery
Number of Workers	115



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ASSOCIATION™

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Freedom of Association: B. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	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.](#)

Plan Of Action: [We acknowledge that labor relations in Vietnam do not meet core ILO standards due to the maturity level of their industrial relations. We acknowledge a long-term, joint advocacy effort is needed to enable better labor relations in Vietnam. Since this issue applies to all factories in Vietnam and due to the nature of this issue, no remediation action has been taken.](#)

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Freedom of Association: Z. Grievance Procedure

500084173H – Vietnam: Columbia Sportswear

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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: It was observed that the internal grievance systems were non-functional. There was one suggestion box located behind the security guard's desk which received one letter last year and none this year. No detailed written grievance policy or procedure in place (just a brief mention in factory rules). Sources: Factory walkthrough, interview with workers and with management.

Plan Of Action: Work with factory to: 1. Follow-up on why workers are not using the suggestion box 2. Move the suggestion box to a more discreet location where workers can more easily access. 3. Create a grievance procedure and post in areas that all workers can review. 4. Train all workers on the grievance procedure to ensure their understanding of the process.

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Non-Discrimination: E. Marital Discrimination

D.5 Employers shall not discriminate on the basis of marital status. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: It was noted that application forms included information on marital status, as well as religion and ethnicity. Management explained that this information was copied from standard Vietnamese CV submitted by applicants. Management did not intend to discriminate and informed that they will remove this information from future forms. However, the brand should follow-up with the factory to see that management has made a sustainable improvement. Sources: Based on records review, interview with management and with workers.

Plan Of Action: Work with factory to: 1. Remove all information regarding marital status, religion, ethnicity off of the application form. 2. Establish a non-discrimination policy. 3. Train all HR staff and workers on the new policy. 4. Develop a procedure to communicate non-compliance and disciplinary actions for non-compliance.

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Non-Discrimination: G. Possible Marriage or Pregnancy

D.7 Employers shall not threaten female workers with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from getting married or becoming pregnant. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: According to review of records, application forms included pregnancy status (2 months or less, 3 months or more). According to interview with workers and HR officer, workers who were found to be pregnant soon after hiring and who falsely declared their status were subject to dismissal according to policy. In practice, this has apparently never been practiced.

Plan Of Action: Work with factory to: 1. Remove all information regarding pregnancy status from the application form. 2. Establish a non-discrimination policy. 3. Train all HR staff and workers on the new policy. 4. Develop a procedure to communicate non-compliance and disciplinary actions for non-compliance.

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Miscellaneous: A. 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.

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: According to interviews with workers and staff, code awareness among staff and workers was generally low. According to factory walk-through, Columbia CoC is posted in English and Vietnamese on the stairway in a location where it is hard for workers to see or read. According to management interview and training records review, Columbia trained staff on code in January 2007 and factory provides some basic training to workers, but no details of code training were available for review.

Plan Of Action: Work with factory to: 1. Move Columbia SMP posters to an area where it can be more easily seen and reviewed. 2. Include 2 copies of the SMP Poster (one in English and one in Vietnamese language) 3. Establish a clear policy and procedure for training workers on factory code of conduct. Training should take place upon initial hiring, then refresher trainings provided on an annual basis. Training will be a peer-to-peer model so that Columbia Sportswear will provide training to management who will then be able to train the workers. 4. Develop a procedure to document and record details of code training

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Miscellaneous: A. Code Awareness

GEN.3 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 doing so.

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: Based on management interviews and records review, there was no reporting mechanism (phone, address, email) which would allow workers to contact the Participating Company (Columbia) directly.

Plan Of Action: The Company's objective is to strengthen contract manufacturers' internal grievance systems, so that direct involvement by the company in employee grievances should be considered a last resort. In alignment with this objective, we work with contract manufacturers' to strengthen their internal grievance processes. In addition, company Compliance staff spends time listening to factory employees during one-on-one confidential interviews during audits and during follow up visits.

Deadline Date: 10/28/2009

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Action Taken: 10/12/2009: 1. Columbia Sportswear internal auditors gave business cards with contact information to workers interviewed during Columbia's audit. The company will continue to provide this contact information to interviewed workers so that they may contact the company confidentially to report issues in the factory. 2. The factory added the CR specialist contact information from their business card (name, company, website, HQ address, VNLO address, phone and fax number) to the corner of the SMP poster.

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Health and Safety: D. Worker Consultation

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: Based on document review, workers do not participate in HSE. Safety committee was formed on paper in June 2009, but has never held a meeting.

Plan Of Action: Work with factory to: 1. Explain the importance of a functional Health and Safety committee. 2. Provide regular training to workers on proper use and importance of PPE. Also provide training on factory machinery and how to use the machines safely. 3. Organize a HSE meeting with workers on 29 Oct, 2009 (with meeting minutes). Meeting minutes will be maintained for all upcoming meetings.

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Health and Safety: I. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: According to the walk-through and interviews with the management, the main exit door in the workshop lacks an exit sign. The factory's management removed the sign to fix a faulty battery 10 days earlier, but have been unable to replace the battery. One maintenance worker was in charge of inspection of fire extinguishers, emergency lights and exit signs. The factory has no procedure to track, record or follow up such issues once reported to factory management. According to the walk-through and interviews with the management, the exit from the canteen lacked emergency lights and an exit sign. The factory staff informed monitor that installing and fixing emergency lights and exit signs were handled by the landlord. [DECREE 35/2003/ND-CP. Fire prevention and fighting safety conditions for establishments: Having regulations, internal rules, ban signals, signboards, diagrams or instruction boards on fire prevention and fighting, escapes, suitable to the characteristics and nature of their operations.]

Plan Of Action: Work with factory to: 1. Install the exit sign at the main exit door. 2. Install the emergency light and exit sign at the canteen. 3. Created a procedure to check, record and follow-up on issues once reported to the management.

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Health and Safety: M. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: According to the walk-through and interviews with the management, the factory lacks adequate policies, procedures and training for the safe handling and use of chemicals i.e. spray adhesive.

Plan Of Action: Work with factory to: 1. Establish policy and procedure for the safe handling and use of chemicals, specifically for the spray adhesive. 2. Train the workers on safe handling and use of chemicals. Health and Safety trainings should be provided to workers in the orientation and on a regularly basis to stress the importance of these issues. 3. Develop a system to ensure that the policy and procedure are posted and updated on a regular basis.

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Health and Safety: N. 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)

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08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance
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Explanation: According to the walk-through and interviews with the management, factory lacks adequate policies, procedures and training for the safe handling and use of chemicals i.e. spray adhesive. The Material Safety Data Sheet is kept in the office but not posted in production in local language.

Plan Of Action: Work with factory to: 1. Provide education on the purpose of posting MSDS and using PPE. 2. Post the MSDS in the production floor and the spray adhesive room both in English and Vietnamese. 3. Develop a system to ensure that the policy and procedure are posted and updated on a regular basis. 4. Develop training for the safe handling and use of chemicals. Trainings should be provided to workers in the orientation and on a regularly basis to stress the importance of these issues.

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Health and Safety: Q. Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: Management reported that required lighting and electrical tests were conducted, but copies of the results were not kept in the office. [National standards TCXD 46: 2007. Measurement should be conducted regularly, at least every 12 months is best].

Plan Of Action: Work with factory to: 1. Obtain the results of the lighting and electrical tests from the government. 2. Develop a procedure for assessing all required documents for operations. 3. Assign a responsible individual to ensure that the factory has all valid tests, certificates and licenses.

Deadline Date: 11/30/2009

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Action Taken: 10/12/2009: The factory was able to obtain the results of the lighting and electrical tests from the government.

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Health and Safety: Z. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: The factory staff reported that drinking water was tested regularly but no recent records of test results were available for monitors to review. The latest test on file was from January 18, 2008. [DECISION 09/2005/QD-BYT 1. *Inspection: a) Level I: Included parameters must be inspected prior use at least every six months.]

Plan Of Action: Work with factory to: 1. Obtain quarterly drinking water test results. 2. Develop a procedure to ensure that water is tested on a quarterly basis and results are kept on-file in the office. 3. Assign a responsible individual to ensure that the factory has all valid tests, certificates and licenses.

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Hours of Work: A. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: During the review of time records, payrolls and other relevant records for the period of January to July 2009, it was noted that 20% of workers in warehouse and Quality Check (QC) department worked overtime from 15 hours to 18 hours a week for 1 week in March 2009 and 10% of workers in QC department worked overtime from 14 hours to 16 hours a week for 1 week in June 2009. Sources: Interviews with management and workers, record reviews. [Local laws: Article 68, 69 of the Labor Code and Circular No. 15/2003/TT-BLDTBXH dated 06/03/2003 The overtime must not exceed 4 hours a day, 16 hours a week, 14 hours in 4 consecutive days and 300 hours a year.]

Plan Of Action: Work with factory to: 1. Document actual working hours to better understand the real situation, to evaluate the root causes of excessive OT and find feasible solution to incrementally reduce hours with end goal to meet regulations. 2. Encourage close communications between different departments and share the same goal of reducing working hours. 3. Create an overtime registration form to document and register workers who chose to work overtime. 4. Conduct a production capacity study. Calculate facility production capacity with maximum 4 overtime hours per day, 12 per week, 300 per year and no rest day work to with the goal to reduce orders if needed. 5. Establish a policy for a maximum of 4 overtime hours per day, 12 per week, 300 per year and 1 day rest per week for the workers. 6. Develop procedure to limit daily overtime work, monitor the accumulated overtime hours per week and per year and report immediately to the top management when a worker has worked 12 overtime hours per week or 300 overtime hours per year.

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Hours of Work: B. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: During the review of time records, payrolls and other relevant records for the period of January to July 2009, it is noted that approximately 3% of workers worked on 1 Sunday in January 2009 and 6% of workers worked on 1 Sunday in March 2009 with premium pay, but without compensating day off as per law. Sources: Interview with management and with workers, Record review. [Local laws: Article 72 of the Labor Code 1. Workers shall be entitled to at least one day (24 consecutive hours) of rest per week. 2. The employer may fix the regular weekly rest day on Sunday or on any other fixed day of the week. 3. In special cases where the work cycle does not allow a weekly rest to be taken, the employer shall ensure that the worker has at least four days of rest each month.]

Plan Of Action: Work with factory to: 1. Document actual working hours to better understand the real situation, to evaluate the root causes of excessive OT and find feasible solution to incrementally reduce hours with end goal to meet regulations. 2. Encourage close communications between different departments and share the same goal of reducing working hours. 3. Create an overtime registration form to document and register workers who chose to work overtime. 4. Conduct a production capacity study. Calculate facility production capacity with maximum 4 overtime hours per day, 12 per week, 300 per year and no rest day work to with the goal to reduce orders if needed. 5. Establish a policy for a maximum of 4 overtime hours per day, 12 per week, 300 per year and 1 day rest per week for the workers. 6. Develop procedure to limit daily overtime work, monitor the accumulated overtime hours per week and per year and report immediately to the top management when a worker has worked 12 overtime hours per week or 300 overtime hours per year.

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Hours of Work: C. Meal and Rest Breaks

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
08/18/2009	External	FLA Independent External Monitoring	Global Standards	Noncompliance

Explanation: During the review of time records, payrolls and other relevant records for the period of January to July 2009, it is noted that workers working 2-3 hours overtime a day and did not receive 30 minutes break paid at overtime rate as per law. Sources: Based on interviews with management and workers, record review. [Circular No.15/2003/LBTBXH-TT from 06/03/2003: 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: Work with factory to: 1. Develop a policy on providing a 30 minutes break for workers working OT lasting more than 2 hours per day. Communicate the policy to supervisors and workers. 2. Indicate clearly 30 minutes break period on the overtime sheet (workers will take turn to have this break) and create a procedure to monitor the implementation. 3. Develop a method to communicate non-compliance and disciplinary actions for non-compliance.

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