



Member(s) Burton Snowboards, Fenix Outdoor AB, KMD Brands

Country Vietnam

Date of Inspection 6/20/2024

FLA Assessment Corrective Action Plan

Summary of Corrective Actions Taken or Planned

Additional CAP Notes Hanesbrands ended its membership as an FLA Participating Company on December 2024. Burton Snowboards, Fenix Outdoor AB and KMD Brands will continue the remediation implementation. The company's Independent External Assessment reports can still be found at: [https://www.fairlabor.org/accountability/assessments/assessments-manufacturing/?report_type=workplace-monitoring]

Benchmark ID	Benchmark details	Question(s)	Finding details	Recommendation for Immediate Action	Recommendation for Sustainable Improvement	Company Plan of Action	Company deadline (MM-DD-YYYY)	Action Taken	Company Progress Status
C.1.1	Employers shall comply with all national laws regulations and procedures concerning the payment of compensation to workers.	Applicable to compensation is the factory in compliance with the local legal requirements/ FLA Code in all other areas not previously noted?	The factory does not provide the in-kind benefit for all workers in following four sections: sewing ironing button attaching and heat pressing. They work in the area considered as dangerous and hazardous conditions and had a historical issue of temperature and humidity exceeding the legal standard in April 2023	Employees shall provide in-kind benefit as legally required which should be worth VND 20000 (based on Level 2) for workers working in dangerous and hazardous conditions.		Implement measures to improve the working environment in areas where temperature and humidity problems arise. Re-measure the working environment in areas where problems arise. Provide in-kind benefit to employees working in the area considered as dangerous and hazardous conditions.			Planned
C.17	Employers shall ensure that all legally required payroll documents journals and reports are available complete accurate and up-to date.	Does the factory have a payroll and other legally required payment documents?	The factory uses onsite contractors for security services (eight employees) and canteen services (nine employees). The factory only keeps the list of the employees from contractors who work onsite at the facility with the copies of their ID cards for age verification. However there are no payroll records and social insurance records available for review during the assessment as per FLA requirement. Thus the information regarding wage benefit and working hours of these contracted workers cannot be verified.	Monitor and keep payroll and benefit records of all onsite workers.		The factory will require security services and meal suppliers to provide photocopies of subcontractor employee records (including labor contracts personal information...) attendance record salary payments Social insurance payment documents...monthly to check the performance of subcontractors. Since August 2024 the factory has installed a finger-print timekeeping system to record the working hours of security service staff. In September the factory continued to record the working hours of food service staff.			In Progress
C.3.1	Where probationary or training employment is legally allowed the wage shall not be below the legal minimum and no workers shall work more than three months cumulatively in those employment categories.	Do trainees workers receive at least the legal minimum wage or the prevailing industry wage whichever is higher?	There are 13 unskilled workers who had from one to seven days of skill training before the training contracts were signed. These workers are paid VND 50000/day instead of minimum wage (VND 140000/day) during the skill training period as required by FLA.	Ensure regional minimum wage as required by law is paid to workers.		Currently the factory has complied with the requirements of Law on vocational training for workers. But to ensure good implementation according to FLA's requirements the machine will make adjustments and change the regulations on paying vocational workers to the minimum daily wage.		New unskilled workers are trained in sewing directly on the line and receive salary according to regulations.	Completed

C.9.3	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country	Does the management always pay the correct legally defined premium rates for overtime including for piece rate workers?	1) Workers work before official working time. However this period is not recorded and paid for workers: a) As per CCTV records and worker's interviewed (approximately 40%) show that around five to seven minutes before official working time (7:30 am) are used for morning meetings which happens from three to six days per week in all workshops without attendance record and compensation as this time is defined as working hours as legally required. This practice is also confirmed by the supervisor/management level; b) Workers work before the official working hour as per CCTV records. For example some workers worked at 07:20 am on May 21 2024; at 07:05 am on May 22 2024; at 07:22 am on May 23 2023 and at 07:19 on May 27 2023 but the official working hour started at 07:30 am; 2) There were 31 workers working from 18:00 on April 17 2024 to 03:00 on April 18 2024. April 18 2024 was the national public holiday. However these workers were paid 130% instead of 390% for three hours from 0:00 to 3:00 on April 18 2024 (working in nighttime of holiday).	1) Overtime premium rate shall be calculated and paid sufficiently; 2) Ensure that all working time is recorded and full wages are paid to employees according to the legal requirements.	Inform and propagate to employees about working hours all production activities team meetings propaganda... begin after 7:30 and during working hours. The factory will make compensation payments to the mentioned workers. Add the method of calculating holiday and New Year wages for night shifts to the salary calculation regulations.	Make compensation payments to the mentioned workers. Add the method of calculating holiday and New Year wages for night shifts to the salary calculation regulations.	In Progress
ER.1.1	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment hiring and probation including written terms and conditions of employment job descriptions administration of compensation and working hours for all positions through to retrenchment and termination processes.	Does the factory have policies and procedures governing all aspects of termination and retrenchment?	The factory does not have any policies and procedures regarding retrenchment.		The factory will consult and develop a policy process to issue and notify all employees.	Establish the policy and procedure regarding retrenchment.	Completed
ER.10.2	Employers shall not renew contracts for multiple successive short-terms in lieu of providing regular employment.	Does the factory avoid using temporary workers on a long-term basis or for multiple short terms?	The factory signs labor contract with six seasonal workers for long-term position (thread cutting) from March 27 to April 11 2023 (2 workers signed contracts from March 29 to April 9 2024 and 4 workers signed contracts from March 27 to April 11 2024).	Avoid using temporary workers on a long-term basis or for multiple short terms	1. The factory no longer recruit seasonal workers but recruits directly for job positions and applies fingerprint timekeeping from the first day of work. 2. Train the staff in charge to avoid recurring problems.	1. Only recruit directly for job positions and applies fingerprint timekeeping from the first day of work. 2. Train the staff in charge to avoid recurring problems.	Completed

ER.18.1	Employers shall have written disciplinary rules procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).	Applicable to Workplace Conduct & Discipline is the factory in compliance with the local legal requirements/ FLA Code in all other areas not previously noted?	<p>The internal regulation was approved on October 28 2021 and states that:</p> <p>a) Point 21.1: If an employee loses the badge or it is damaged he/she must go to the HR department to get a new badge and pay VND 20000.;</p> <p>b) Point 21.3: An employee must return the employee badge to the HR department when he/she resigns. If it is not returned he/she will have to pay VND 20000;</p> <p>c) Point 35.3: If an employee fails to return the items issued by the Company the lost item(s) must be compensate based on the actual value of those items which will be directly deducted from the severance pay: VND 20000 for timekeeping card VND 20000 for employee handbook and VND 68000 per year for uniforms;</p> <p>These regulations do not comply with local law and FLA Benchmark.</p> <p>Remark: During the assessment there was no deduction case found.</p>	Review internal regulations on compensation in accordance with the law.	Currently the above content is no longer applicable at the factory. The factory will cancel the update of the new regulations in the next internal regulation adjustment.	Planned	
ER.19.1	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.	Do employment terms and conditions align with national laws freely negotiated CBA and FLA Code?	<p>Some employment terms and conditions do nest align with the legal requirements:</p> <p>1) At least 13 workers were on probation for 31 - 32 days instead of 30 days as legally required.</p> <p>Remark: These workers were paid sufficiently because the factory applied the new salary for official workers for the entire month that the labor contract was signed regardless of which day of the month it was;</p> <p>2) The factory uses onsite contractors for security services (8 employees) and canteen services (9 employees). The factory only keeps the list of the employees from contractors who work onsite at the facility with the copies of their ID cards for age verification. There are no labor contracts payroll records attendance records social insurance records which are available for reference during the assessment as per standard requirement. Thus the information regarding employment practice wage benefit and working hours cannot be verified.</p>	<p>1) Adjust the probationary period to be in accordance with the law;</p> <p>2) Monitor and keep labor contract of all onsite workers.</p>	<p>1. Provide retraining instructions for employees in charge of properly implementing contract regulations for employees.</p> <p>2. The factory will require security services and meal suppliers to provide photocopies of subcontractor employee records (including labor contracts personal information...) attendance record salary payments Social insurance payment documents...monthly to check the performance of subcontractors.</p> <p>Since August 2024 the factory has installed a finger-print timekeeping system to record the working hours of security service staff. In September the factory continued to record the working hours of food service staff.</p>	<p>1. Provide retraining instructions for employees in charge of properly implementing contract regulations for employees.</p>	In Progress
ER.5.1	Employers shall ensure that all supervisors are trained in national laws workplace regulations and the FLA Code workplace grievance systems and the appropriate practices to ensure compliance.	Does the factory provide any specific training to the relevant supervisors that includes all FLA's Code elements and Employment Functions?	As required by FLA's benchmarks employers shall ensure that all employees and supervisors are trained in national laws workplace regulations and the FLA Code workplace grievance systems and the appropriate practices to ensure compliance. Based on training records and confirmation from the factory management it is noted that 11 experts have not been training in the FLA Codes.	Disseminate current policies and procedures that the factory is applying to foreign managers.	Disseminate current policies and procedures that the factory is applying to foreign managers.	Completed	

ER.6.1	Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the factory or beyond.	Does the factory have written policies and procedures on personnel development that encourage ongoing training with the goal of raising or broadening workers' skills so they can advance in their careers?	The factory conducts the ongoing training of all workers with the goal of improving or broadening skills for future career advancement. However the factory does not have any policies and procedures for implementing these practices.		Develop policy and procedure related to employee skill enhancement training	Develop policy and procedure related to employee skill enhancement training	Completed
ER.7.1	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process demonstrate linkages to job grading prohibit discrimination are provided in writing and seek feedback and agreement/disagreement from employees in writing and that follow all local legal requirements.	Does the factory have policies and procedures on performance reviews that include steps and processes linkages to job grading nondiscrimination written feedback and compliance with legal requirement? 12300ntest	The factory conducts performance reviews monthly. However the factory does not have any policies and procedures to guide the implementation of performance review that includes steps and processes linkages to job grading non-discrimination and written feedback.		Review and develop performance evaluation process disseminate process to relevant departments for implementation		Planned
ER.8	Employers shall have written policies and procedures with regard to promotion demotion and job reassignment that outline the criteria demonstrate linkages to job grading and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment are provided in writing and seek feedback from employees in writing and follow all local legal requirements.	Does the factory have policies and procedures on promotion demotion and job reassignment?	The factory does not have any policies and procedures on promotion and demotion.		Review and understand relevant customer regulations and standards to develop and establish procedures.	Review and understand relevant customer regulations and standards to develop and establish procedures.	Completed
HSE.1	Employers shall comply with all national laws regulations and procedures concerning health safety and the environment.	Does it cover all risks and appropriate ways to eliminate and/or control hazards?Applicable to Health Safety and Environment is the factory in compliance with the local legal requirements/ FLA Code in all other areas not previously noted?	1) The factory conducted the risk assessment on June 8 2023. However the risk assessment of the electromagnetic field is not conducted at the packing area where the metal detector is used. Therefore working environment monitoring of electromagnetic activity in this area has not been carried out; 2) This is a historical issue. According to the occupational condition test in April 2023 exceeded the legal limit at four sections: automatic sewing section ironing section button attaching section and heat pressing section. These parameters complied with legal requirements in the new occupational condition test in August 2023. There were approximately 70 workers working in affected areas however they were not provided the occupational disease check until September 2023. No workers had any occupational diseases.	1) Ensure the risk assessment cover all risk and appropriate ways to eliminate and/or control hazards; 2) Provide regularly health check for all workers as legally required.	1. Conduct a risk assessment of areas with the potential to generate electromagnetic fields. Hire a third party to test the electromagnetic field factors in the assessed areas. 2. Implement methods to improve the working environment in areas with temperature and humidity problems. Re-measure the working environment at the location where the problem occurs. Provide re-training for workers in areas with temperature and humidity problems.	Hire a third party to test the electromagnetic field factors in the assessed areas.	In Progress

HSE.17.1	Workstations including seating and standing arrangements and reach required to obtain tools shall be designed and set-up in such a manner as to minimize bodily strains.	Is the factory taking proactive steps to reduce repetitive-motion stress or injuries (breaks adjustable workstations)?	The factory does not provide chairs with backrest for workers with prolonged sitting jobs (e.g. sewing and pressing section) and standing mats for three workers with prolonged standing jobs at the laser area.	Provide chairs with backrest for workers performing prolonged sitting jobs and standing mats for workers performing prolonged sitting jobs.	Currently the factory has provided backrest chairs for pregnant workers and anti-fatigue mats for jobs that require standing frequently. Regarding the 3 workers in the laser machine area due to the factory's shortcomings. 1. Conduct a pilot study on providing backrest chairs for workers to ensure requirements but not cause problems related to escape. 2. Immediately provide anti-fatigue mats for workers. Review and re-check to supplement missing parts (if any). Disseminate to safety officers in each area and immediately notify the general department when detecting any missing cases	1. Conduct a pilot study on providing backrest chairs for workers to ensure requirements but not cause problems related to escape. 2. Immediately provide anti-fatigue mats for workers. Review and re-check to supplement missing parts (if any). Disseminate to safety officers in each area and immediately notify the general department when detecting any missing cases	In Progress
HSE.19	All facilities including workplace buildings toilets canteens kitchens and clinics shall be kept clean and safe and be in compliance with all applicable laws including relevant sanitation medical and safety and health regulations.	Does the factory provide adequate soap and drying facilities in the bathroom?Does the factory keep food samples for the necessary length of time to prevent food born illness?	1) There are no lids for trash cans and drying facility at the toilets; 2) The food samples are not kept for at least 72 hours and not more than 4°C as per The Code of Hygienic Practice for Precooked and Cooked Foods in Mass Catering. They are kept within 24 hours (and 48 hours for Saturday). Remark: This practice complies with local legal requirements.	1) Provide hand dryer and lids for trash cans in all toilets; 2) The food samples should be kept for at least 72 hours and at 4°C or lower as applicable standard	1. The factory has arranged trash cans with lids but due to negligence some locations still lack trash cans with lids. The responsible department has purchased additional trash cans without lids and installed hand dryers in the toilets. 2. Currently the factory has ensured the requirements of local law on sample storage time please review this issue for the factory. Regarding the thermometer of the sample storage cabinet the factory has arranged and installed it to ensure temperature control of the sample storage cabinet	1. The factory has arranged trash cans with lids but due to negligence some locations still lack trash cans with lids. The responsible department has purchased additional trash cans without lids and installed hand dryers in the toilets. 2. According to local legal requirements the factory follows completely(store at least 24h and temperature is from 2 to 8oC	Completed
HSE.5.1.2	All applicable legally required or recommended elements of safe evacuation shall be complied with including all the following elements: installation and maintenance of fire alarms;	Is the emergency alarm automatic and centralized?Does the emergency alarm have a backup battery?	1) The fire alarm systems of workshop 1 and dormitory were approved by fire police on June 18 2014. This system includes fire detectors manual call points and fire alarms connected to the fire alarm control panel in the security room. However the factory later renovated the fire alarm system by themselves by separating the fire alarm system in two independent systems: a) an automatic fire alarm system including fire detectors fire alarms and control panel and b) a fire alarm system with manual call points and other fire alarms. During testing the system No. 2 operates separately from the main fire alarm control panel in the security room. This change has led to a lack of continuous supervision for these fire alarms. Besides there is no backup power for the fire alarm system No. 2 in these buildings; 2) There is no grounding wire for the center fire alarm control panels at the main security gate.	1) Ensure fire alarm system is functional; 2) Install a grounding wire in the center fire alarm control panels at the main security gate.	The factory will find a capable unit to connect the fire alarm system of rkshop 2 to the central fire alarm system in the security room and after connecting the system of workshop 2 will use the backup power source of the alarm cabinet central fire at the security gate and install grounding wire for the center fire alarm control panels at the main security gate.	The factory will find a capable unit to connect the fire alarm system of rkshop 2 to the central fire alarm system in the security room and after connecting the system of workshop 2 will use the backup power source of the alarm cabinet central fire at the security gate and install grounding wire for the center fire alarm control panels at the main security gate.	Planned
HSE.5.1.4	All applicable legally required or recommended elements of safe evacuation shall be complied with including all the following: ensuring aisles/exits are not blocked and that workers are not blocked within their workstations	Are emergency exits free from obstruction?	Two out of four exit aisles are obstructed by materials in the "Gòn" warehouse (Workshop 1).	Ensure that all exit aisles are clear at all time.	1. Keep clear emergency exits after the audit factory 2. Disseminate and retraining employees in the department on fire prevention and fighting regulations and principles of escape and escape.	1. The factory immediately arranged clear emergency exits after the audit factory 2. Disseminate and retraining employees in the department on fire prevention and fighting regulations and principles of escape and escape.	Completed

HSE.9.1	All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner in accordance with applicable laws and international standards.	Do chemical tanks have sufficient and adequate secondary containment?Is the factory's hazardous waste storage area secure protected clean and sanitized?	1) There is no secondary containment and Material Safety Data Sheet for more than seven cans of chemicals (3YE) and ten cans of machine oil in the maintenance warehouse; 2) The hazardous waste (around fifteen cans of used chemicals) is placed outside instead of a designated hazardous waste storage area.	1) Chemical containers shall be stored in proper secondary containment; 2) Hazardous waste shall be classified and stored in a designated hazardous waste storage area with limited access.	1. Provide additional spill trays 2. Post MSDS in chemical storage areas	1. Provide additional spill trays 2. Post MSDS in chemical storage areas	Completed
HOW.1.1	Employers shall comply with all national laws regulations and procedures concerning hours of work public holidays and leave.	Applicable to hours of work and leave is the factory in compliance with the local legal requirements/ FLA Code in all other areas not previously noted?	a) There is approximately 55% total of the workforce worked more than 40 overtime hours per month from June 2023 to May 2024 which exceed the legal monthly overtime requirement. The maximum overtime hours worked are 66 hours per month; b) There is approximately 41.5% total of the workforce worked more than 300 overtime hours/year which exceed the legal yearly overtime limit. The maximum number of overtime hours are 499.5 hours in 2023.	Control the overtime hours as legally required.	Factory implements a number of policies to attract workers and at the same time expands the scope of labor recruitment (for example broadcasting recruitment loudspeakers contacting agencies organizations and mass organizations at district and commune level units in the locality to announce recruitment from many labor sources...) - Factory provides free sewing training for unskilled worker organizes training to improve skills for current workers. - Factory applies weekly and monthly bonuses to workers to encourage workers to improve their skills and increase productivity		In Progress
HOW.2	Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.	Do workers receive at least 24 consecutive hours of rest in every seven day period?	There is approximately 58% total of the workforce work on one rest day from February 2024 to May 2024 with a maximum of 8 to 13 consecutive working days. Remark: Form May 2024 workers are entitled one compensation day off after working on a rest day.	Ensure that workers receive 24 consecutive hours of rest every seven days.	Factory implements a number of policies to attract workers and at the same time expands the scope of labor recruitment (for example broadcasting recruitment loudspeakers contacting agencies organizations and mass organizations at district and commune level units in the locality to announce recruitment from many labor sources...) - Factory provides free sewing training for unskilled worker organizes training to improve skills for current workers. - Factory applies weekly and monthly bonuses to workers to encourage workers to improve their skills and increase productivity		In Progress
HOW.21	Other than in exceptional circumstances the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.	Over the past 12 months have all workers' hours been kept under 60 hours per week?	There is approximately 58% total of the workforce work more than 60 hours per week (including regular and overtime hours) which exceed the weekly hours of the FLA Benchmark. The excessive weekly hours happened from June 2023 to May 2024 from one to three weeks per month.	Ensure workers not to work more than 60 hours per week.	Factory implements a number of policies to attract workers and at the same time expands the scope of labor recruitment (for example broadcasting recruitment loudspeakers contacting agencies organizations and mass organizations at district and commune level units in the locality to announce recruitment from many labor sources...) - Factory provides free sewing training for unskilled worker organizes training to improve skills for current workers. - Factory applies weekly and monthly bonuses to workers to encourage workers to improve their skills and increase productivity		In Progress

HOW.22.3	Time worked by all workers regardless of wage system shall be fully documented by time cards or other mechanical or electronic recording systems.	Does the factory have a system to record working hours?	1) There are 13 unskilled workers who had from one to seven days of skill training before the training contracts were signed. However there is no attendance record showing the exact working hours of these workers; 2) There were six seasonal workers working from March 27 to April 11 2023 (two workers signed contracts from March 29 to April 9 2024 and four workers signed contracts from March 27 to April 11 2024). It was noted that the attendance of these workers was recorded manually by the leader instead of by themselves. 3) The factory uses onsite contractors for security services (eight employees) and canteen services (nine employees). The factory only keeps the list of the employees from contractors who work onsite at the facility with the copies of their ID cards as age verification. However there are no attendance records available for review during the assessment as per standard requirement. Thus the information regarding wage benefit and working hours cannot be verified.	1) Install a system to record attendance data of onsite worker accurately; 2) Monitor and keep employment document of all onsite workers.	1&2. The factory will adjust the implementation process. When workers start sewing training personnel will update data into the Human Resources management system. Implement finger system for apprentices when starting vocational training or onboard. 3. Since August 2024 the factory has installed a finger-print timekeeping system to record the working hours of security service staff. In September the factory continued to record the working hours of food service staff.	Adjust the implementation process. When workers start sewing training personnel will update data into the Human Resources management system. Implement finger system for apprentices when starting vocational training or onboard.	In Progress
ND.3	Recruitment and employment policies and practices including job advertisements job descriptions application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.	Are all employment policies or practices (job advertisement job application job description performance review) free of discrimination in any form?	The factory has a recruitment post on the social media stating the age requirement as 18 years old or above instead of 15 years old the legal working age or above. This post was posted on 21 March 2024 and was still available at the time of the assessment.	Revise labor recruitment regulations in accordance with legal regulations.	1.Review and revoke documents and procedures that do not comply with regulations 2. Retraining for staff in charge of properly implementing the factory's regulations and policies		Completed