

Workplace Conditions Assessment Report

Measured Results —Improved Performance



OSUNG VINA COMPANY LIMITED.

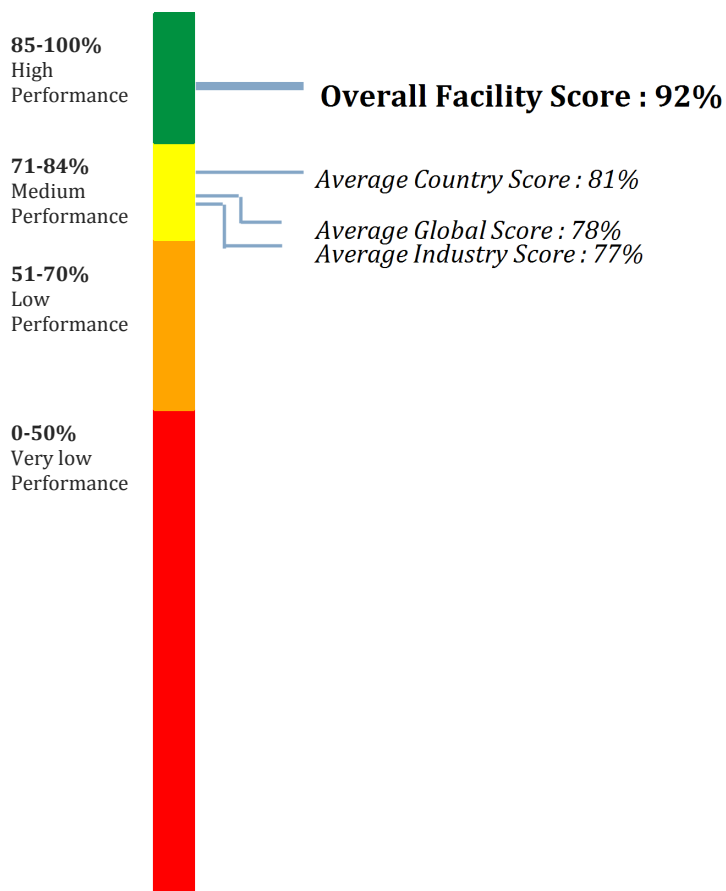
GENERAL INFORMATION

Overall Facility Score : **92%**

Report No :	F_IAR_8732	City :	-
Audit Date :	Jun 17, 2016	Country :	Vietnam
Last Audit :	Jul 09, 2015 (92%)	Auditors :	Primary: Nguyen Phuong
Assessment Stage :	Annual		Secondary: Xuan Nguyen
Schedule Type :	Semi-Announced	Service Provider:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 20889



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Not scored
Overall	92%	-	-	3	3	-
Labor	100%	-	-	-	-	-
Wages & Hours	85%	-	-	1	-	-
Health & Safety	95%	-	-	1	-	-
Management Systems	93%	-	-	-	2	-
Environment	65%	-	-	1	1	-

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	OSUNG VINA COMPANY LIMITED.	Facility Legal Status:	Other
Facility Legal Name:	OSUNG VINA COMPANY LIMITED.	Year facility began operations:	2002
Audit Location:	8/6B, Chanh 2 Hamlet, Tan Xuan Ward, Hoc Mon District Ho Chi Minh City, Vietnam	Located in special economic zone:	No
City:	-	Person responsible for overall social compliance issues:	Mrs. Phan Thi Thao - Compliance Officer
Country:	Vietnam	Valid certificate for social compliance certification program:	None
Contact Name:	Mr. Kwon Do Ryun	Vendor Name:	Hansae Co. Ltd.
Contact Title:	General Manager	Security systems in place:	Yes 8 guards are in charge of security in the facility 24 hours per day and seven (7) days per week. In order to register with the security guards, visitors are required to identify themselves by providing the purpose of the visit and the name of the contact person and the identity of visitor/ vehicle. Visitors are only allowed to access to the facility when authorization is obtained.
Industry:	Apparel		
Building Description:	One 1-storey building (2,820 square meters) which is used for production and fabric warehouse. One 2-storey building (400 square meters) (1st floor used for office and finished goods warehouse at ground floor). One 1-storey building (200 square meters) used for kitchen and canteen. The walls have been made by bricks; ceilings and doors have been made by iron and steel.		
Special building type:	NA		

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	Knitwear and woven	Time record system(s) used:	Swipe Card system
Production process/ Service elements:	Cutting, sewing, trimming, ironing, inspection and packing	Chemicals or hazardous materials on-site:	Yes <i>Acetone</i>
Production capacity a week:	125000 pieces	Current production/ Services for client:	Yes
Total number of machines:	473		
Main machine types:	Single sewing machine, double sewing machine, cutting machine, overlock machine, kansai machine, fusing machine		
Shifts and Operating hours:	From 7:30am to 4:30pm with break time from 11:30am to 12:30pm from Monday to Saturday. Sunday is stipulated as rest day.		

A3. EMPLOYEE INFORMATION

Range of total number of employees at the facility:	501-1000 employees	Female Employees:	530
Union name:	Trade Union of OSUNG VINA	Male Employees:	252
Employs juvenile workers:	None	Mgmt Employees:	22
Hires through employment agent:	No	Production (Non-Management) Employees:	760
Employee nationalities/ provinces:	Korean and Vietnamese	Local Employees:	780
		Foreign/Migrant Employees:	2
		Languages spoken in the facility:	Vietnamese
		Management and employees speak same language :	No

A4. SUBCONTRACTOR INFORMATION

Subcontractor# :	1		
SubContractor Name:	NHAT PHUONG CO., LTD	Address:	18/26A Ma Lo Street, Binh Hung Hoa A Ward, Binh Tan District, Ho Chi Minh City, Vietnam
Contact Name:	Mr. Kim Jong Sick		
Telephone:	84 61 3750 3117		
Email Address:	jskim@jeilkovi.net		
Process Type:	Subcontractor performs other subcontracting functions (i.e. printing, spraying, injection, dyeing, welding, washing, embroidery)		
Process subcontracted:	Printing		
Social Audits performed:	Yes	Type of Social Audits:	Social audit
Private label items:	Yes		
Subcontractor# :	2		
SubContractor Name:	Deuck Woo Vietnam Co., Ltd	Address:	Road 15A, Long Binh Ward, Bien Hoa City, Vietnam
Contact Name:	Ms. Park Ji Huyn		
Telephone:	84 61 3991 965		
Email Address:	pjh2893@daum.net		
Process Type:	Subcontractor performs other subcontracting functions (i.e. printing, spraying, injection, dyeing, welding, washing, embroidery)		
Process subcontracted:	Washing		
Social Audits performed:	Yes	Type of Social Audits:	Social audit
Private label items:	Yes		
Subcontractor# :	3		
SubContractor Name:	SJ Vina Corporation	Address:	677/77 Nguyen Anh Thu Street, Hiep Thanh Ward, District 12, Ho Chi Minh City, Vietnam
Contact Name:	Mr. Youn Kun Kyu		
Telephone:	84 90 779 9489		
Email Address:	ykk1129@samjine		
Process Type:	Subcontractor performs other subcontracting functions (i.e. printing, spraying, injection, dyeing, welding, washing, embroidery)		
Process subcontracted:	Embroidery		
Social Audits performed:	Yes	Type of Social Audits:	Social audit
Private label items:	Yes		

A5. GENERAL INFORMATION

OSUNG VINA COMPANY LIMITED is a foreign direct investment company which located at 8/6B, Chanh 2 Hamlet, Tan Xuan Ward, Hoc Mon District, HCM City, Vietnam. The total land area of this facility is about 7200 square meters. They have operated at their existing location since May 28, 2002. The main products manufactured by the facility are knitwear and woven. There is no peak season in the facility. There are 3 subcontractors used for printing, embroidery, washing. All subcontractors are authorized to use by customer and these subcontractors has current produced for the client. Attitude of workers: During the interview, employees comfortably answer all questions of auditor. They have equal opportunity in salary increase and promotion based on their abilities and skills. Female employees are ensured to come back to work after maternity leave. Attitude of managers: During the audit, the facility management showed a constructive attitude in support of the audit process. All documentations requested for review were provided in a timely manner. Locked areas encountered during the audit were unlocked. At the end of the audit, all the findings were accepted by the facility management. There are 2 Foreigner managements working in this facility (Nationality: Korean). All production employees are local employee.

Emergency Preparedness Summary

The general housekeep of the facility in the production areas are clean and tidy. Emergency lights and exit signs are posted at all exit doors. Emergency evacuation routes are marked clearly on floors in workshop. There is an adequate number and appropriate types of firefighting equipment in the facility as mention above. All of them are checked monthly and are posted with a corresponding instruction on how to use in local language. The facility established a fire fighting and prevention project, which was approved by the local fire department on April 29, 2015. Fire fighting and prevention team has been established with 25 employees trained and certified by the local authority on November 19, 2015. Training on health and safety is conducted yearly for all employees on July 4, 2015. Drinking water is tested every year. There is one nurse working in the facility to take care worker's heath and at least 12 first aid kits provide for employees in production areas.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	1/6/2015	31/5/2016
12 Months Attendance	1/6/2015	31/5/2016
Special Comments	Nil	

Employee interview sampling

Individual	20
Group	2 group of 5
Total interviewed	30

Payroll and attendance records sampling

Period	From	To	Peak Season	Records Reviewed
Current Period	1/5/2016	31/5/2016	No	20
Period 1	1/2/2016	29/2/2016	No	5
Period 2	1/11/2015	30/11/2015	No	5
Total				30

Other records reviewed

Personnel records

Machine maintenance records

Production records

Employment contracts

Social insurance documentation

Infirmity logs

Other : Environment record

Health examination records

Security log book

Non-Production records

Legal Permits

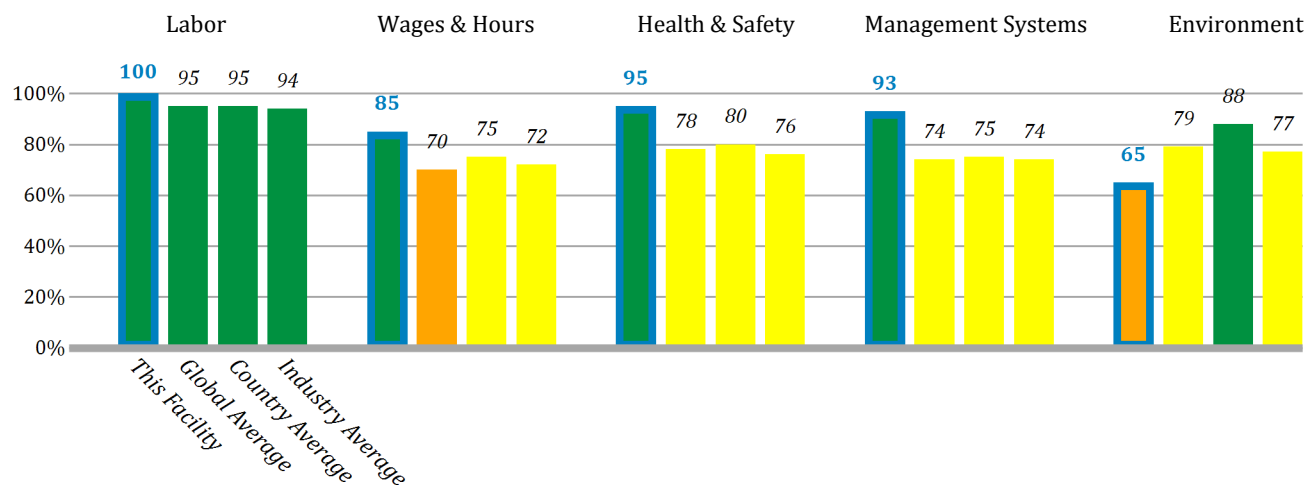
Employee leave register

Young worker registration

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, Vietnam average, Apparel average

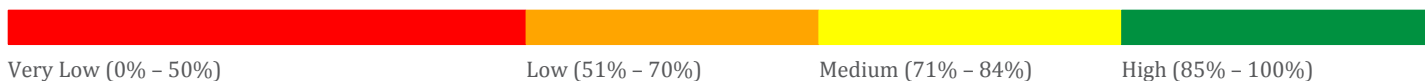


B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (17-Jun-2016)	Last (09-Jul-2015)	First (13-Sep-2012)	Change (Current-Last)	Change (Current-First)
Labor	100	100	97	0 % 	3 % 
Wages & Hours	85	85	95	0 % 	-10 % 
Health & Safety	95	90	97	5 % 	-2 % 
Management Systems	93	93	70	0 % 	32 % 
Environment	65	90	90	-27 % 	-27 % 
Overall Score	92	92	92	0 % 	0 % 

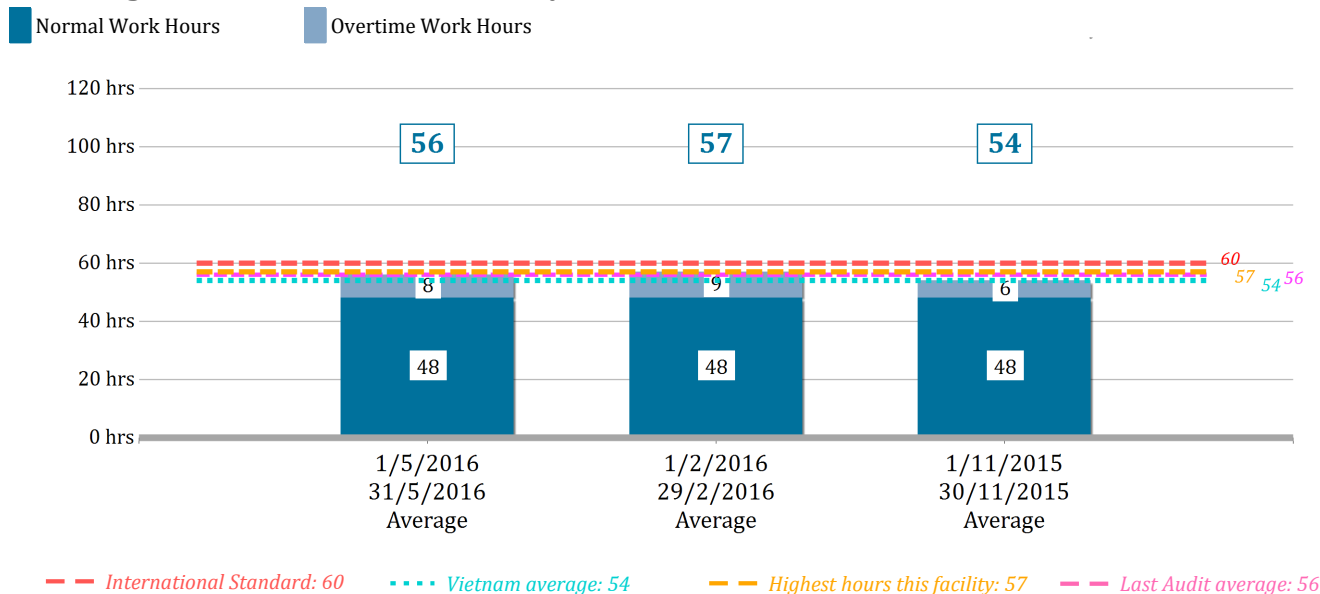
 Advancers
  Constant
  Decliner

PERFORMANCE RATING

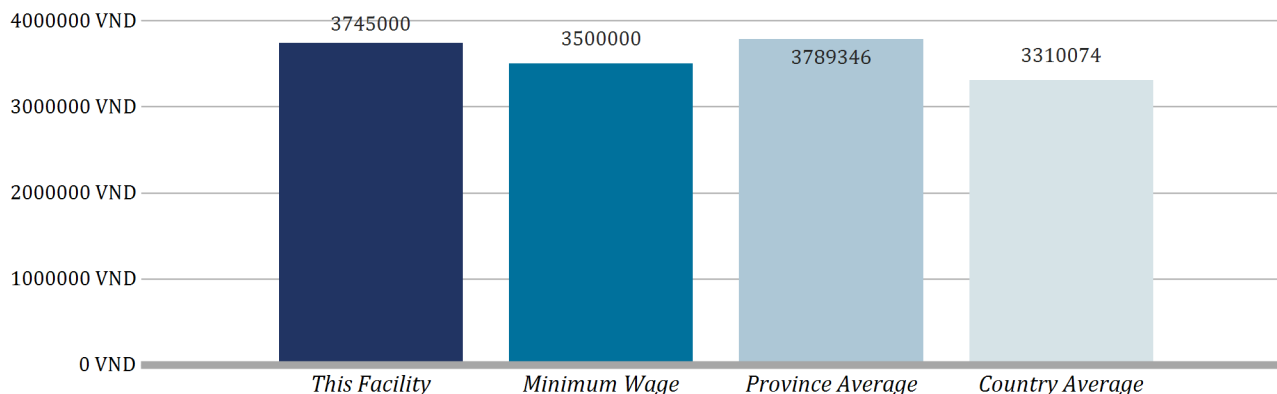


B3. WORKING HOURS AND WAGES

Average total hours worked weekly



Average wages paid in local currency (VND)

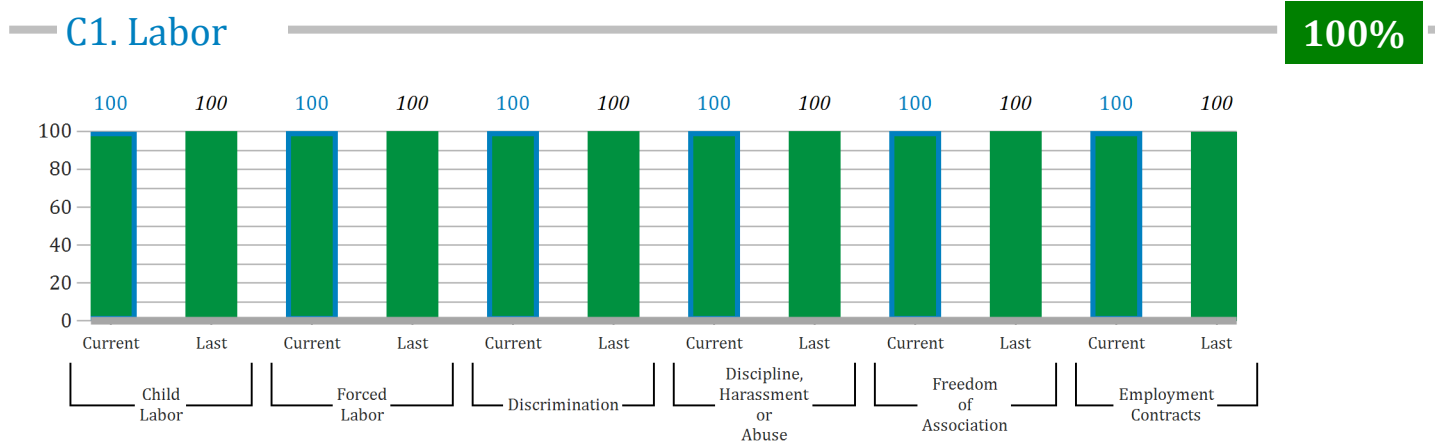


Special wage circumstances:

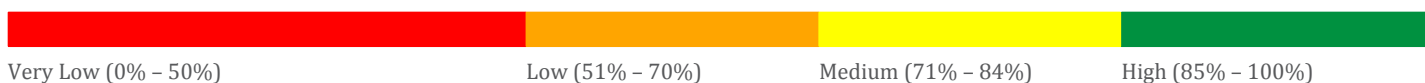
Wages and hours summary: The facility works 6 days per week from Monday to Saturday, one day off is provided every 6 consecutive days. Maximum overtime hours is 4 hours per day. The minimum wage applied in the facility is VND 3,745,000/month while the legal wage is VND 3,500,000 per month. In general, the working hours and wages are in compliance with local law except the finding on monthly overtime hours. Employees were paid at 150% of wage for regular overtime hours which is complied with local law. 14 days of annual leave and 10 days of holiday were provided and paid correctly to employees. The compulsory insurance is provided for employees up to May 2016 which is in compliance with local law. The payment date is on 15th every month. It was noted that 18 out of 20 selected samples in May 2016 (current month) worked from 32 to 47.4 out of 5 selected samples in November 2015 (sample month) worked from 34.5 to 42.5 overtime hours per month.

C. PERFORMANCE DETAILS

Current (17-Jun-2016) Last (09-Jul-2015)

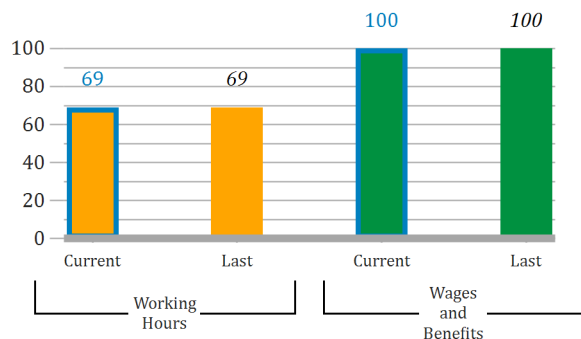


PERFORMANCE RATING



C2. Wages & Hours

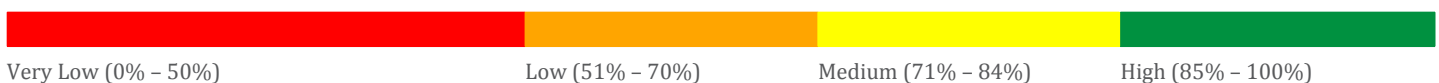
85%



Sub Section: Working Hours

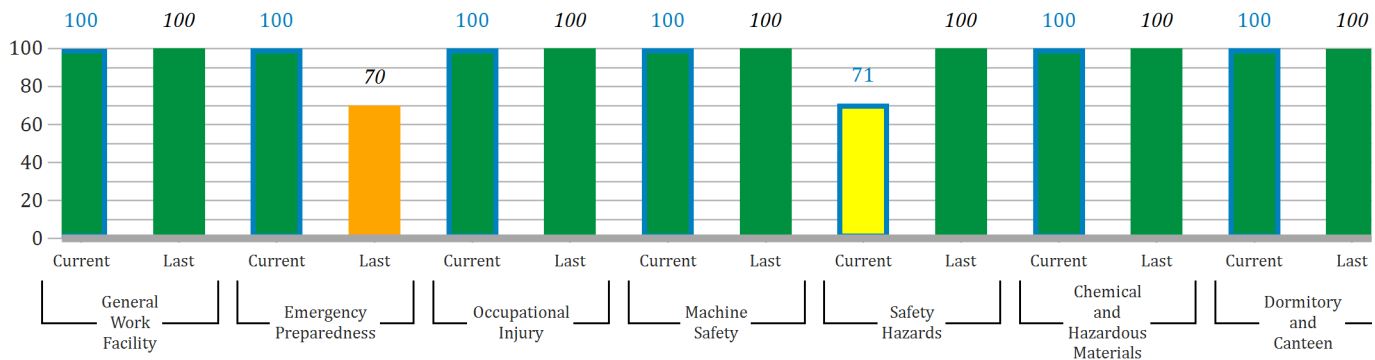
Status	Findings	% Global freq of compliance
● Moderate	122.00 : Total overtime hours exceeds allowable limits under applicable law or agreement. Auditor's comment It was noted that 18 out of 20 selected samples in May 2016 (current month) worked from 32 to 47. 4 out of 5 selected samples in November 2015 (sample month) worked from 34.5 to 42.5 overtime hours per month. Article 106 Point 2 Vietnam Labor Code To ensure that the overtime hours of the employee shall not exceed 50% of the normal working hours in 01 days, in case of application of working regulation on weekly basis, , the total normal working hours and the overtime hours shall not exceed 12 hours in a day, and less than 30 hours in 01 months and the total of not more than 200 hours in 01 year, except for some special cases stipulated by the Government for the overtime working but shall not be more than 300 hours in 01 years	51%

PERFORMANCE RATING



C3. Health & Safety

95%



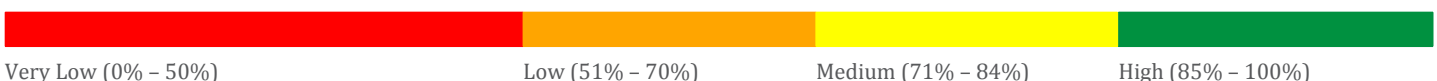
Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
● Corrected	193.00 : Previous Non-Compliance : Access to aisles, stairs and passageways are not kept clear at all times Auditor's comment The previous audit conducted on July 9, 2015. Based on facility tour, it was noted that 2 out of 4 exit route at material warehouse and 1 out of 2 exit route at finished goods warehouse were partial blocked by goods. The current audit conducted on June 17, 2016. The finding was corrected. Based on the facility tour, it was noted that all emergency routes were not blocked during the working hours.	93%
● Corrected	197.00 : Previous Non-Compliance : There has not been an emergency evacuation drill for all areas and shifts in the last 12 months or as required by law Auditor's comment The previous audit conducted on July 9, 2015. It was noted that: In 2014: Facility only conducted emergency evacuation drill twice per year. In 2015, facility only conducted emergency evacuation drill one time on April 25, 2015 instead of quarterly. The current audit conducted on June 17, 2016. The finding was corrected. Based on the document review and employee interview, it was noted that the facility conducted fire drills on July 2015, November 2015, April 2016 and June 11, 2016.	82%

Sub Section: Safety Hazards

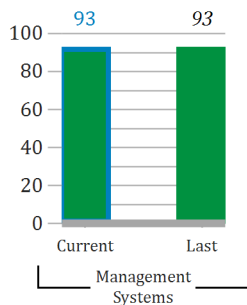
Status	Findings	% Global freq of compliance
● Moderate	237.00 : The facility does not monitor the employees to ensure the personal protective equipment (PPE) required to control safety hazards is correctly used Auditor's comment It was noted that there was no dust mask for employees during working hours. Article 138 point 1 of Vietnam Labor Code The employer must ensure that personal protective devices and protective clothing meet the standards of quality and design stipulated by the laws.	97%

PERFORMANCE RATING



C4. Management Systems

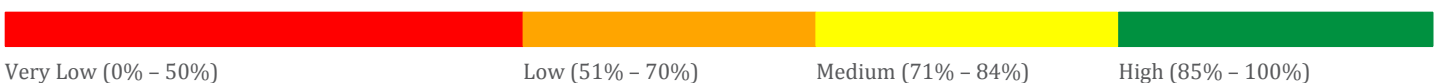
93%



Sub Section: Management Systems

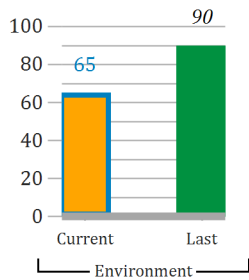
Status	Findings	% Global freq of compliance
● Minor	296.04 : The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented Auditor's comment The facility has written procedure but they did not implement it well.	59%
● Corrected	296.06 : <i>Previous Non-Compliance</i> : The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented Auditor's comment The previous audit conducted on July 9, 2015. Based on facility tour, it was noted that 2 out of 4 exit route at material warehouse and 1 out of 2 exit route at finished goods warehouse were partial blocked by goods. The current audit conducted on June 17, 2016. The finding was corrected. Based on the facility tour, it was noted that all emergency routes were not blocked during the working hours. The previous audit conducted on July 9, 2015. It was noted that: In 2014: Facility only conducted emergency evacuation drill twice per year. In 2015, facility only conducted emergency evacuation drill one time on April 25, 2015 instead of quarterly. The current audit conducted on June 17, 2016. The finding was corrected. Based on the document review and employee interview, it was noted that the facility conducted fire drills on July 2015, November 2015, April 2016 and June 11, 2016.	71%
● Minor	296.07 : The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented Auditor's comment The facility has written procedure but they did not implement it well.	62%

PERFORMANCE RATING



C5. Environment

65%



Sub Section: Environment

Status	Findings	% Global freq of compliance
● Minor	322.00 : The facility does not have any environmental management system in place Auditor's comment Facility have no environmental management system in place.	70%
● Moderate	330.00 : The discharged wastewater / storm water does not meet the discharge limits for regulated constituents Auditor's comment It was noted that the wastewater conducted one time per year instead of twice per year. The Law on Environmental Protection 2005 The Environment Impact assessment or the Environment protection commitment must be obtained. The regular assessment report must be conducted The Vietnam Environment Protection Law No 55/2014/QH13, Article 99 Waste water shall be collected and treated to the national technical standard of waste water.	93%

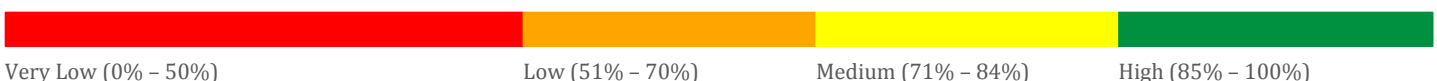
% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

Identification numbers: Represents the finding ID associated with each checklist question

RECOMMENDATION FOR IMPROVEMENT PLAN TIMELINE

- Minor Take action within 0 ~ 6 months to make necessary improvements.
- Moderate: Take action within 0 ~ 3 months to make necessary improvements.
- Major : Take action within 0 ~ 1 month to make necessary improvements.
- Zero Tolerance: Take immediate action to make necessary improvements.

PERFORMANCE RATING



D. STRENGTHS AND CHALLENGES

Facility Strengths: Facility performance ranks in the top percentile of the population and/or has implemented a best practice process	Rating	Global Freq. of Compliance%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	58%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
The facility does not monitor the employees to ensure the personal protective equipment (PPE) required to control safety hazards is correctly used	Moderate	97%
The discharged wastewater / storm water does not meet the discharge limits for regulated constituents	Moderate	93%
The facility does not have any environmental management system in place	Minor	70%
The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented	Minor	62%

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