

FINAL REPORT:

Third Party Complaint; Hansae Vietnam

February 21, 2018



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On June 2, 2016, the University of Washington filed a Third Party Complaint with the Fair Labor Association (FLA) alleging violations of worker rights and poor working conditions at the factory Hansae Vietnam, located in Ho Chi Minh City, Vietnam. The allegations referred to a wide range of labor standards covered by the FLA Workplace Code of Conduct, in the areas of safety and health, hours of work, discrimination, compensation, and freedom of association, among others. FLA-affiliated companies Nike and BCS sourced from the factory at the time the complaint was filed.

Earlier in 2016, in response to a Third Party Complaint filed by Cornell University, the FLA had commissioned an independent investigation at Hansae Vietnam's factory no. 5 - the workshop within the larger factory complex where production for Nike was occurring - regarding worker dissatisfaction around the payment of productivity bonuses and other labor issues that had resulted in a strike. That investigation, carried out by a local accredited third-party assessor in mid-March 2016, found several issues related to communication around productivity bonuses as well as very high production quotas, ineffective grievance procedures, and restrictions on workers exiting the factory during lunch periods. Hansae, in collaboration with Nike, developed a

remediation plan to address these issues.¹

While the report of the Third Party Complaint investigation initiated by Cornell University was in process, the Worker Rights Consortium (WRC) on May 6, 2016 released a study regarding working conditions at Hansae Vietnam² that covered a set of labor issues broader than those raised in the Cornell-filed Third Party Complaint and alleged examples of noncompliance with labor standards beyond factory no. 5 at the full Hansae Vietnam factory complex. The Third Party Complaint filed by the University of Washington raised for consideration by the FLA the wider range of noncompliance allegations in the WRC report for the Hansae Vietnam complex at large.

Following its Third Party Complaint procedures, the FLA accepted the University of Washington complaint at Step 2 of the process and requested that Nike conduct, within 45 days, an assessment of the allegations and prepare

1 Information on the Third Party Complaint, the assessment conducted by a third-party assessor, and the remediation plan is available at <http://www.fairlabor.org/report/hansae-vietnam>

2 Worker Rights Consortium Assessment of Hansae Vietnam Co., Ltd., May 6, 2016, at <http://www.workersrights.org/Reports/WRC%20Assessment%20re%20Hansae%20Vietnam%205.6.2016.pdf>

a plan of remedial actions. Pursuant to the FLA procedures, Nike³ waived the option to conduct its own assessment and instead agreed that the FLA should conduct an independent external assessment of labor rights and working conditions at Hansae Vietnam. Moreover, Nike agreed that the scope of the FLA assessment should be the Hansae Vietnam complex as a whole, where product is manufactured for multiple brands, rather than just the factory or factories within Hansae Vietnam where Nike product was manufactured, as had been the case with respect to the Cornell University complaint.

FLA Assessment

During the week of July 4, 2016, the FLA conducted a comprehensive assessment of working conditions at Hansae Vietnam using the Sustainable Compliance Initiative (SCI) Assessment tool,⁴ the most in-depth tool that the FLA has at its disposal for factory-level due diligence. The SCI assessment was conducted by a team of third party assessors based in Vietnam accredited by the FLA to conduct such SCI assessments; the FLA's South East Asia Manager joined the assessment team to provide technical guidance and support.

The assessment team prepared a comprehensive report of the findings and recommendations and shared it with Hansae and with Nike to develop a remediation plan.

³ As BCS was a licensee of Nike with respect to its involvement with the factory, Nike took the lead in addressing the complaint.

⁴ <http://www.fairlabor.org/our-work/our-methodology>

While this process was ongoing, at the request of the University of Washington and with the concurrence of Nike, on October 13-14, 2016, an FLA assessment team returned to Hansae accompanied by a team from the WRC to conduct a joint visit. Prior to the joint visit, the FLA made the findings and recommendations of its SCI assessment available to the WRC team. In the return visit, the FLA team focused on the extent to which remediation had progressed on some of the remedial actions requiring immediate attention from the July 2016 assessment. Meanwhile, the WRC team identified additional findings of noncompliance, most concerning safety and health, that the two organizations agreed would be added to the FLA's initial SCI assessment findings.

During the joint visit, as was the case with the earlier assessments by the FLA, Hansae management cooperated fully with the outside experts, providing access to facilities and records, as well as to both management and workers for the purpose of gathering relevant information.

SCI Assessment and Remediation Plan

The report of the SCI assessment at Hansae was published on the FLA website on December 6, 2016.⁵ This report, which included findings from the joint October 13-14 visit of the FLA and the WRC, included 30 specific findings and 178 sub-findings that required remediation by the factory. Consistent with the FLA's policy

⁵ http://www.fairlabor.org/sites/default/files/documents/reports/summary_report_hansae_vietnam_december_2016.pdf

of publishing an SCI report together with the remediation plan submitted by the supplier and the brand, the SCI assessment report released by the FLA incorporated a detailed remediation plan consisting of 262 individual items. By the time that the FLA released the SCI report and remediation plan,⁶ complete or partial remediation had been reported with respect to over 70 percent of Health, Safety, and Environment (HSE) items (i.e., those requiring immediate action).

Since December 2016, Nike has updated the progress of remediation through the public FLA website at roughly four- to five-week intervals; the most recent updates on the FLA website were submitted by Nike on February 17, 2018.

As of that day, Nike reported that Hansae had completed remediation, or has a plan in place for completion, of all of the items that were part of the remediation plan. (An appendix lists 29 findings or sub-findings that were identified as requiring immediate remedial action and provides information on FLA recommendations, the remediation plan, and the status of the remediation for each.)

The installation of ergonomic chairs for sewers is expected to be completed in April 2018. The chairs have been identified and tested with workers, and purchase orders have been placed with an external vendor for 3500 chairs (covering all sewing workers at the factory). Installation will be phased in during March and April; the last set will be installed by the end of April.

6 http://www.fairlabor.org/sites/default/files/documents/reports/summary_report_hansae_vietnam_december_2016.pdf

On October 12, 2017, the WRC signed a Memorandum of Understanding with Hansae detailing additional commitments beyond those identified in the original SCI assessment report and detailed remediation plan.⁷ These remedial actions extend beyond the remediation framework developed for the Third Party Complaint filed by the University of Washington.

FLA Conclusion and Next Steps

The SCI assessment and the joint FLA-WRC visit to Hansae in October 2016 found a range of violations of domestic labor law and of all nine elements of the FLA Workplace Code of Conduct. Earlier, the FLA had also identified some serious issues at the factory that had triggered worker strikes in 2015.

Hansae, with guidance from Nike, developed a comprehensive remediation plan consisting of 262 remedial actions geared to address the many findings in the SCI report. Since January 2017, Nike has provided ongoing reporting to the FLA on the progress of remediation at Hansae, documenting the progressive completion of the plan. The FLA considers that the remediation plan implemented by Hansae addresses the allegations in the Third Party Complaint filed by the University of Washington and therefore has determined this complaint to be resolved.

7 Under the October 2017 MOU, Hansae management agreed to remediation actions with deadlines that run well into 2018. A copy of the MOU is at <http://www.workersrights.org/university/WRC-Hansae%20MOU.PDF>.

APPENDIX:

ASSESSMENT FINDINGS REQUIRING IMMEDIATE REMEDIATION, FLA RECOMMENDATIONS, AND HANSAE REMEDIATION PLAN

Employment Relationship

Finding 5.1	Workers at two of the factories reported that they paid fees to the line supervisor for recruitment or renewal of their contracts.
FLA Recommendation for Immediate Action	Discontinue practice of charging and collecting recruitment fees and contract renewal fees. If evidence of payment of such fees is found, reimburse the workers and take disciplinary action against supervisors involved.
Hansae Remediation Plan	Effective October 2016, Hansae reinforced to all workshop managers and the Human Resources (HR) team that the current recruitment policy requires no recruitment fee. Factory management also revised the recruitment process so that all job applications must go through the HR team at the factory gate, and will revise job announcements to state that there is “no recruitment fee.” Factory management will create a system for workers who paid recruitment fees to file a complaint requesting an investigation by the factory and to reimburse the fee based on the result of the investigation. One supervisor found to have broken this rule has been disciplined and the worker reimbursed.
Status of Remediation	Completed. Changes in factory policies and procedures to eliminate recruitment fees completed. Workers who paid recruitment fees reimbursed. Supervisors who charged fees disciplined.

Finding 5.2	Factory management urges workers to resign from their jobs if they have disputes with a manager or supervisor, or in cases of certain types of misconduct. Factory management does not give workers the opportunity to improve their performance or conduct.
FLA Recommendation for Immediate Action	Ensure terminations are conducted in a fair and transparent manner. Ensure workers are given advance notice of any termination decision, as well as an opportunity to improve their performance or conduct.
Hansae Remediation Plan	Effective July 2016, Hansae has revised the disciplinary procedure so that all disciplinary cases will be reviewed before implementation in a weekly a meeting with the general manager, factory manager, human resources representative, trade union, a witness, and the worker involved. This group will work collaboratively to ensure that all discipline is implemented in accordance with the law and factory policies guaranteeing fairness and consistency. Factory management will set up a system to record all resignations and will conduct exit

	interviews to ensure workers do not involuntarily resign. If any case of involuntary resignation is identified, the factory will reinstate the worker with back pay.
Status of Remediation	Completed. Factory has established oversight procedure for disciplinary actions to ensure they are in accord with factory policy and national law and established exit interview policies. Factory has accepted responsibility for reinstating workers subject to involuntary resignations with back pay; factory restated this commitment as part of its October 12, 2017 MOU with the WRC.

Finding 6.2	There is no written procedure on how to calculate when a pregnant worker is supposed to switch to shorter work schedules. Different factories follow different methods of calculation.
FLA Recommendation for Immediate Action	Ensure calculation for shorter hours for pregnant workers is consistent across factories and the most scientific and reliable method is used.
Hansae Remediation Plan	Effective July 2016, Hansae has adopted a uniform working time calculation and policy for pregnant women across all factories. Across all factories, the benefit will start 100 days before the delivery date, as estimated by an ultrasound test.
Status of Remediation	Completed.

Finding 13.1	Termination practices do not follow approved company regulations and disciplinary procedures registered with the Department of Labor, such as invalid terminations, or terminations recorded as voluntary resignations.
FLA Recommendation for Immediate Action	Ensure a proper and fair termination system is implemented and that actions are accurately documented.
Hansae Remediation Plan	Effective July 2016, Hansae has revised the disciplinary procedure so that all disciplinary cases will be reviewed before implementation in a weekly a meeting with the general manager, factory manager, human resources representative, trade union, a witness, and the worker involved. This group will work collaboratively to ensure that all discipline is implemented in accordance with the law and factory policies guaranteeing fairness and consistency.
Status of Remediation	Completed.

Finding 15.1	Disciplinary actions are not transparent, fair, or consistent across the factories and with company regulations. For example: <ol style="list-style-type: none"> 1. Bringing a needle into the factory leads to dismissal in two factories, while it does not elicit a disciplinary action in the other factories. 2. In one factory a worker was disciplined for sitting next to a worker who had brought food from the outside (bringing food from the
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	<p>3. outside is prohibited, but the disciplined worker did not do so).</p> <p>4. Workers receive warning letters for not meeting the factory's high daily production quotas. Suspension of wage increases is used as a disciplinary practice.</p>
FLA Recommendations for Immediate Action	Ensure that disciplinary practices are fair, transparent, and nondiscriminatory. Stop the practice of making deductions from workers' wages or suspending wage increases as a form of discipline.
Hansae Remediation Plan	The factory has revised the disciplinary procedure so that all disciplinary cases will be reviewed before implementation in a weekly a meeting with the general manager, factory manager, human resources representative, trade union, a witness, and the worker involved. This group will work collaboratively to ensure that all discipline is implemented in accordance with the law and factory policies guaranteeing fairness and consistency. The factory will provide training to both employees and management about disciplinary policies to ensure no disciplinary action is taken for not reaching production targets.
Status of Remediation	Completed.

Discrimination

Finding 4.1	All workers sign a probationary contract for a one-month period; if performance is satisfactory after the probationary period, workers are offered a one-year work contract. In five of the factories, according to worker interviews, work contracts of female employees were not renewed if they became pregnant during the first two years of employment.
FLA Recommendation for Immediate Action	Discontinue employment discrimination against pregnant employees.
Hansae Remediation Plan	Hansae has instituted a review of the contract renewal process to ensure that pregnancy is not a factor in contractual decisions. Factory management will review allegations that contracts were not renewed based on pregnancy status and if discrimination occurred, will reinstate workers with back pay.
Status of Remediation	Completed. Factory has communicated to all workers that contract renewals are based on job performance review and pregnancy status is not a factor. Factory sent letters to a list of workers potentially affected by pregnancy discrimination and offered them reinstatement.

Finding 7.4	Female workers in their probationary period are not provided with a childcare allowance in breach of local law.
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FLA Recommendation for Immediate Action	Cover the part of childcare costs at crèches and kindergartens required by law, including for workers in their probationary period.
Hansae Remediation Plan	Effective August 2016, Hansae has revised the policy to provide a childcare allowance for probationary workers and will include this allowance in the probation agreement.
Status of Remediation	Completed.

Compensation

Finding 6.4	The incentive bonus system is not centralized to ensure fair and transparent distribution of bonuses. Implementation is left to managers of factories. Two of the factories made bonus payments in cash without payment receipts.
FLA Recommendation for Immediate Action	Pay workers' bonuses in accordance with local laws and codes. Ensure all payments are transparent and records of payments are kept.
Hansae Remediation Plan	Effective July 2016, Hansae has developed and announced incentive calculations to all workers and set up a recording system to ensure that workers sign when receiving incentive bonuses.
Status of Remediation	Completed.

Finding 6.5	Workers may not have been correctly paid for overtime because in some factories, workers were observed working during the lunch and dinner breaks without recording hours or being compensated. Off-the-clock work was identified during one Sunday as well.
FLA Recommendation for Immediate Action	Ensure all working time and compensation is reflected in the provided time records and payrolls.
Hansae Remediation Plan	Hansae has announced to all workers that work during lunch time is not permitted and will shut down the electricity during this time to ensure no work is done during this period. The factory will develop a process to determine a methodology that is agreeable to workers and the union to calculate and pay back for time worked before shifts and during breaks. The factory will solicit opinions from workers, the union, and management to choose the proper method to calculate and arrange for payment of time worked before shifts and during breaks. The allegation of off-the-clock time worked on a Sunday turned out to be a clerical mistake; no off-the-clock work was actually performed on a Sunday.
Status of Remediation	Completed. Hansae established a \$500,000 worker fund (subsequently raised to \$750,000) to be disbursed to workers as a supplement to their wages, and has made the disbursements from that fund.

Finding 7.1	New workers do not understand wage calculations and the legal benefits to which they are entitled, including bonuses and annual leave..
FLA Recommendation for Immediate Action	Enhance communication and training on wages and benefits and verify that workers know how wages and benefits are calculated. Conduct an evaluation of the training.
Hansae Remediation Plan	In October 2016, Hansae conducted a two-day orientation training on wage calculations, the bonus system, and annual leave. The training included training evaluation tests (before and after training); the evaluation will be conducted after each session.
Status of Remediation	Completed.

Hours of Work

Finding 4.3	Overtime work is not voluntary. Workers need to justify their reason for not working overtime and get approval from the line leaders.
FLA Recommendations for Immediate Action	Ensure that overtime is voluntary. Discontinue practice of workers having to justify and obtain approval from line leaders to be released from overtime.
Hansae Remediation Plan	Hansae will revise its Overtime Voluntary Work policy and form to reflect an “opt-in” system that allows workers to volunteer for overtime. The factory will organize a meeting to communicate this to all workshop managers and will conduct a series of trainings to inform employees that overtime work is fully voluntary. Managers who don’t follow this policy will be disciplined, and factory management will review workers’ disciplinary records to remove notices related to failure to perform overtime.
Status of Remediation	Completed.

Finding 7.2	Although the factory has a swipe card system to record working time, the time records of protected workers (such as pregnant workers, nursing mothers, elderly workers) are not consistent with the swiped times. Protected workers worked longer hours than allowed by law.
FLA Recommendation for Immediate Action	Ensure actual working time and compensation are completely and accurately recorded, including working hours of protected workers.
Hansae Remediation Plan	Effective August 2016, Hansae revised the working time recording system to ensure that protected workers work no more hours than legally allowed, but are still paid for a full workday as required by law.
Status of Remediation	Completed.

Finding 8.1	In order to take sick leave, workers must ask permission from production manager and factory manager by 10:00 am of the day when the leave is requested. For new workers, managers may require that the worker take leave longer than prescribed by the doctor, which is unpaid.
FLA Recommendations for Immediate Action	Ensure that workers can take sick leave to which they are entitled without repercussions. Do not require workers to take a longer leave when shorter paid leave is possible.
Hansae Remediation Plan	Effective July 2016, factory management adopted new policies on sick leave that align with the FLA recommendations, and this has been announced to all responsible staff, managers, and workers. The factory now provides workers with sick leave for attending to their sick children, and has worked with the trade union to provide assistance to workers with chronic illnesses.
Status of Remediation	Completed.

Finding 10.2	The time recording system is not centrally calibrated across all factories. The time shown is different on each time-recording machine at the factory. At one factory, the time clock on the swipe card was set 10 minutes early.
FLA Recommendations for Immediate Action	Centrally calibrate the time recording system across factories and ensure that workers record their actual working time on the swipe card system for accurate compensation.
Hansae Remediation Plan	Effective September 1, 2016, Hansae has corrected and calibrated the time keeping system for all machines and all machines now have the same time.
Status of Remediation	Completed.

Finding 11.1	Workers do not have sufficient time to go to the toilet or take a water break due to high production quotas. If they go to the toilet or take water break, they have to come early or stay late to meet the quota. The extra work time is neither recorded nor compensated.
FLA Recommendation for Immediate Action	Production targets, piece rates or any other production systems should not be set at such a level that workers need to work beyond regular working hours to meet them.
Hansae Remediation Plan	Hansae announced to all workers and factory management in a meeting immediately after the July assessment that the factory follows a policy of free access to toilets and water breaks. A meeting with all workshop managers reinforced this policy, and reviewed the correct methods to record working time, including early and late work. Managers were informed that violation of the policy of free access to toilets or water breaks is subject to the factory's disciplinary policy. The factory has implemented a practice of opening the doors at the official work time and shutting down electricity during breaks.

	Factory management will consult with production supervisors to set reasonable production targets and will track and measure on a weekly basis if workers are meeting their production targets, and make necessary interventions if they are not. Hansae will enlist a third party to conduct a quarterly audit to verify efficiency of remediation regarding recording of working time, free access to toilets and water breaks and voluntary overtime.
Status of Remediation	Completed. See also remediation under Finding 6.5 above: establishment by Hansae of a worker fund to be disbursed to workers as a supplement to their wages, and disbursements made from that fund.

Findings 11.8 and 11.9	<p>Several instances of unrecorded and uncompensated work were identified:</p> <ol style="list-style-type: none"> 1. Cleaning workers, who are required to come in earlier than other workers, at 7:00 am, to clean the factory before other workers come in to work, but cannot swipe their card in until 7:15 am. Workers in the sewing, cutting, and packing departments clocked in at 7:20 am; if they had not completed their allocated quota the previous day, they would have to come in earlier to complete it, but would not be allowed to sign in until 7:20 am. 2. There are two bells to alert workers to resume work about lunch break, one bell five to 10 minutes before the time to start work and the other at the end of the break; assessors observed that workers resumed work when the first bell rang instead of waiting for the second bell. 3. All workers are required to come at least 10 minutes before the starting time, which is not recorded in their time records.
FLA Recommendation for Immediate Action	Ensure that all working time is recorded and appropriate records are kept.
Hansae Remediation Plan	The factory has implemented a practice of opening the doors at the official work time and shutting down electricity during breaks to prevent unrecorded and uncompensated work. Hansae will enlist a third party to conduct a quarterly audit to verify efficiency of remediation regarding recording of working time.
Status of Remediation	Completed. See also remediation under Finding 6.5 above: establishment by Hansae of a worker fund to be disbursed to workers as a supplement to their wages, and disbursements made from that fund.

Freedom of Association

Finding 14.1	There is no proof that the workers voted democratically on the labor union representative nominees or subsequently on the labor union representatives. Currently, the Chairman and Vice Chairman of the labor union are Human Resources Managers.
FLA Recommendation for Immediate Action	Ensure that the workers are able to democratically participate in the labor union representative nomination and election processes.
Hansae Remediation Plan	As of July 2016, the factory's Senior HR Manager no longer served as the Trade Union Chairman, and the HR Manager had volunteered to step down from the post of Trade Union Vice Chairman. The factory trade union will consult with ILO Better Work before the next Trade Union Executive Selection (expected to be in March 2017) to ensure there is no management member on the union's executive committee.
Status of Remediation	Completed. Hansae also agreed to additional training for workers on freedom of association as part of its October 12, 2017 MOU with the WRC.

Harassment or Abuse

Findings 15.2 and 15.4	According to worker interviews, line supervisors shout at workers who use the restroom for more than five minutes, for unmet quotas, for a high defect rate, or for being late after the bell to start working. Similarly, higher ranking supervisors and management shout at line leaders if quotas are not met or there is a high defect rate.
FLA Recommendations for Immediate Action	Ensure a working environment free of any form of harassment or abuse, including physical abuse, psychological abuse, verbal abuse, and improper punishment. Allow workers to move about freely in production areas for water or toilet breaks. Do not deny workers access to food, water, toilets or other necessities as a means of maintaining discipline.
Hansae Remediation Plan	Effective September 2016, Hansae committed to strictly implementing policies against harassment or abuse. The factory will organize a meeting to communicate to all workshop managers that the current harassment or abuse policies do not allow verbal and physical harassment and such actions violate company policy and are subject to factory disciplinary policies. The factory will set up a grievance system and communicate to workers that they may file complaints without fear of retaliation.
Status of Remediation	Completed.

Health, Safety, and Environment



Finding 18.1	Hazardous waste from the printing plate cleaning process at Factory 5 is not properly separated.
FLA Recommendation for Immediate Action	Separate hazardous wastes from other industrial waste.
Hansae Remediation Plan	Effective July 11, 2016, factory management provided bins to store contaminated rags, and put in place a system for the proper disposal of hazardous waste from the printing plate cleaning process.
Status of Remediation	Completed.

Finding 18.4	Hazardous chemicals used in the printing area of Factory 5 are not properly labeled with the chemical names and are kept in soft drink bottles instead of proper containers.
FLA Recommendations for Immediate Action	Properly label all chemicals and provide proper containers for chemical storage.
Hansae Remediation Plan	Effective July 11, 2016, factory management checked all chemicals to ensure they were properly labeled in Vietnamese, and has reminded workers about proper chemical storage. All chemical substances are now stored in properly labeled receptacles with secondary containment.
Status of Remediation	Completed.

Finding 21.1	The temperature is too high during the summer months to work in the factories that do not have a ventilation system (Factories 5, 6, 8, 9, 10, 12 and Mini). Based on interviews, workers have fainted in these factories due to the heat but the clinic has not recorded these cases.
FLA Recommendations for Immediate Action	Ensure all production areas are properly ventilated. Ensure that all instances of fainting because of the high ambient temperature and improper ventilation are accurately recorded by the clinic.
Hansae Remediation Plan	With respect to ambient temperature, Hansae has developed a plan to be executed in the first quarter of 2017 to install water cooling units in several of the factories and has indicated that it is open to reviewing the functional efficiency of this solution. Factory management will also explore other options to reduce the working temperature. Drinking water and frequent breaks will be provided to workers.
Status of Remediation	Completed. Evaporative cooling system installed or refurbished in all of the applicable workshops, with the final one installed in December 2017.

Findings 21.2—21.22	Several findings related to factory not issuing appropriate personal protection equipment (PPE) to workers (respirators, masks, safety shoes, mesh gloves); workers not using PPE; available exhaust fans not used; obstruction of eyewash stations; improper guarding of machinery; unbolted drill presses.
FLA Recommendations for Immediate Action	Ensure all workers are provided appropriate PPE and trained about their use. Ensure all other mentioned safety and health issues are immediately addressed.
Hansae Remediation Plan	From July 2016, factory management has made numerous changes with respect to health and safety practices, for example, providing activated carbon masks to workers using chemicals, increasing the frequency of delivery of dust masks to workers, providing insulated safety gloves to electricians, reminding clinic staff to record all accidents and illnesses that occur at the factory, and instructing workers not obstruct the eyewash stations.
Status of Remediation	Completed.

Finding 22.1—22.12	Several findings related to inoperative or missing emergency lights; exit doors did not open outward as required in case of emergencies; several blocked aisles and exits; several deficiencies regarding fire extinguishers, including some missing and others to which access was blocked; signage for emergency assembly points missing or not well designed.
FLA Recommendations for Immediate Action	Update company's fire and emergency preparedness procedures and make necessary changes to exit signs, doors, aisles, fire extinguishers. Update company's emergency response producers to cover special classes of persons and terrorist threats or public unrest.
Hansae Remediation Plan	Effective August 2016, Hansae has implemented a series of measures to deal with the findings, including replacing exit signs, fixing emergency lights, keeping exit doors open and organizing meetings to remind workers to keep exit doors open, removing obstacles at exit ways, removing obstacles around fire extinguishers, providing missing fire extinguishers, and reviewing emergency response plans.
Status of Remediation	Completed.

Findings 23.1—23.4	Non-potable water sources are not labeled; insufficient number of toilets for male workers at several factories; no legally required menstruation bathrooms, breastfeeding rooms, or places to store mother's milk at any of the factories; insufficient supplies of soap and toilet paper for workers; foul smell in toilets in Factory 11 during walkthrough.
FLA Recommendations for Immediate Action	Clearly label non-potable water sources as such. Install a sufficient number of toilets, menstruation and breastfeeding rooms in each factory per legal requirements, provide enough toilet supplies and ensure toilet hygiene is maintained.

Hansae Remediation Plan	Effective October 2016, factory management had labeled all non-potable water sources for easy recognition, provided a sufficient number of toilets to meet legal requirements, provided a location to store mother's milk, provided sufficient toilet supplies, and required cleaning contractor to increase frequency of cleaning.
Status of Remediation	Completed.

Findings 24.1–24.5	Food hygiene issues in the canteen include lack of control over raw food sources and reuse of cooking oil; failure to cover food during display and distribution; food portions not sufficient to meet the needs of all workers; fluorescent light tubes on the kitchen ceiling not protected to prevent possible mercury contamination in case of breakage; and the floor of the food preparation areas was very slippery.
FLA Recommendations for Immediate Action	Control the source of raw foods used by the canteen contractor and the reuse of cooking oil; cover cooked food at the canteen; quantify the food for each meal for each worker to ensure that portions are sufficient to sustain workers; install slip covers or other shielding on fluorescent lights in food preparation areas; install anti-slip mats in front of stove and where there is risk of slipping and injury from hot liquids.
Hansae Remediation Plan	Effective July 2016, factory management has taken steps to improve food hygiene, replace fluorescent lights and inadequate canteen equipment (including cutlery), analyze food portion sizes and adjust if appropriate, and institute a program to review the operation of the canteen on a quarterly basis.
Status of Remediation	Completed.

Findings 26.1–26.9	There is no personal or area air monitoring for acetone where it is used for cleaning; cleaning rooms where acetone is sprayed in the open do not have local exhaust ventilation systems to capture vapors. Spraying of acetone occurring below non-explosion-proof lighting is a fire hazard.
FLA Recommendations for Immediate Action	Conduct personal air monitoring to establish acetone concentrations and provide adequate respiratory protection. Install spray booths to capture acetone emissions from spray guns.
Hansae Remediation Plan	The factory will establish a small booth with effective exhaust ventilation where all acetone spraying will be conducted. The monitoring checklist for the spot-cleaning room will include detailed requirements on proper PPE usage, maintenance, and storage.
Status of Remediation	Completed. Factory completed construction and installed acetone cabinets for all of the applicable workshops.

Findings 28.1–28.7	Single use masks for use around acetone are not NIOSH approved; sound level in cleaning operations exceeds allowed limits; inspection, ironing and packaging areas present ergonomic risks; wood benches assigned to sewing operators are not ergonomically appropriate.
FLA Recommendations for Immediate Action	Provide adequate respiratory protection based on industrial hygiene air monitoring and protective footwear, such as closed-toed shoes, rubber boots, or chemical resistant rubber overshoes during liquid transfer operations. Install pressure reducer nozzles on air guns to help reduce the noise level. Provide production workers with ergonomically appropriate work stations and seats.
Hansae Remediation Plan	Hansae will seek an equipment supplier to provide masks approved by NIOSH for cleaning room workers; train workers on usage of personal protective equipment (PPE), maintenance, and storage; and will implement a schedule for replacing this equipment based on current working condition and the supplier’s recommendations. . Hansae will procure appropriate chairs for workers.
Status of Remediation	Completed. Hansae identified ergonomic chairs and tested them with workers, and then placed purchase orders with an external vendor for 3500 chairs – covering all sewing workers at the factory. Installation of the ergonomic chairs will be phased in during March and April 2018, with the last set to be installed by the end of April.

Findings 29.1–29.7	Electrical outlets for emergency eye wash station are not grounded and electrical equipment has exposed wires. Temperature in six of the seven inspected factories exceeded the maximum allowed 32 degrees C (89.6 degrees F) in at least half of the work areas measured. Average interior air temperatures exceeded the limit in four of seven factories.
FLA Recommendations for Immediate Action	Install grounded outlets within 6 feet of where water is present and where portable tools are used. Make the necessary engineering controls to comply with Vietnamese temperature regulations and modify work practices to prevent heat stress and ensure worker comfort.
Hansae Remediation Plan	Hansae will install ground fault circuit interrupt (GFCI) electrical outlets for plugging in emergency eye wash station to prevent electric shock to workers. The factory will cover the electric pump from the eyewash station to keep water from contacting energized equipment and install carpet to capture any water stream and ensure dry working areas. The maintenance staff will check the emergency eye wash station bi-monthly to ensure GFCI outlets are operational and areas are dry. Hansae will execute a plan in the first quarter of 2017 to reduce ambient temperature to comply with local law as well as provide frequent water breaks for workers.
Status of Remediation	Completed. See also remediation under Finding 21.1 above: Evaporative cooling system installed or refurbished in all of the applicable workshops, with the final one installed in December 2017.