



Measured Results - Improved Performance

Workplace Conditions Assessment Report

SONHA CO.,LTD

Report No	F_IAR_21257
Audit Date	Jun 18, 2013
Assessment Stage	Initial
Audit Location	Group 2 Dong Khoi Street, Tan Hiep ward, Bien Hoa City, Dong Nai Province, -
City	Bien Hoa
Country	Vietnam
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Auditor Name	Primary: Phuong Bui Secondary: Bich vo

Workplace Performance Index

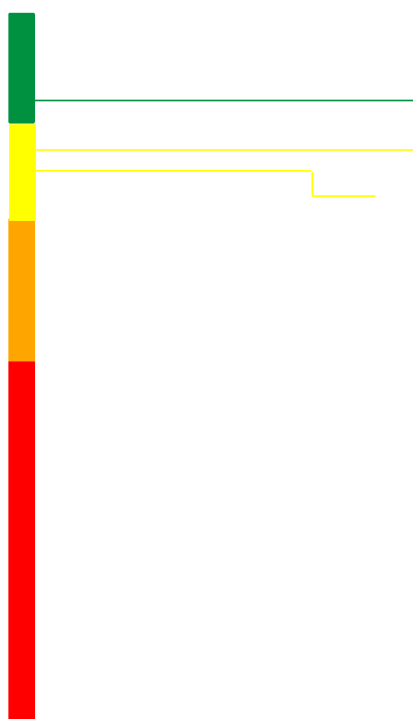
Participating Facilities : 9402

High Performance (85 – 100)
Meet Expectations.

Medium Performance(71 – 84)
Further Improvement Needed.

Low Performance(51 – 70)
Significant Action Required.

Very Low Performance(0 – 50)
Urgent Action Required.



Facility Score **88**
Country Score **81**
Global Score **78**

Facility Profile

Facility Name		SONHA CO.,LTD	
Facility Legal Name		SONHA CO.,LTD	
Contact Name,Title		Mrs. Tran Thi Phuong Kim, Managing Director	
Vendor Name		TY Fashion International Co Ltd	
Industry		Apparel	
Products Manufactured / Services Provided		Knitwear and woven	
Production Processes / Service Elements		Cutting, embroidery, sewing, ironing, inspection and packing	
Production capacity a week		75000 pcs	
Total number of machines		1895	
Main machine types		Cutting, Sewing, pressing, overlock, embroidery.	
Current production / Services for client		-	
Facility's legal status		Privately owned	
Year facility began operations		2006	
Number of buildings the facility operates in		One (1) 2-storey building used for office and cutting, Embroidery area. One (1) 5- storey building used for production. Three (3) none- storey buildings used for material warehouse, canteen and employees dormitory.	
Languages spoken at the facility		English and Vietnamese	
Facility management speaks same language as the employees		Yes	
Range of total number of employees at the facility		1001-5000 employees	
Female Employees	846	Male Employees	212
Mgmt Employees	90	Production (Non-Mgmt) Employees	968
Local Employees	1058	Foreign/Migrant Employees	0
Union Name		Trade Union of Sonha Co., Ltd	
Number of shifts and operating hours		1 shift, From 7:30 am to 4:30 pm, break time from 11:30am to 12:30pm and 12: 00 nn to 1:00pm	
Subcontractor name, location		(A) Printing sub contract: 1. Dac Hung Loc Co., Ltd which is located at 3 Hamlet, Phuoc Vinh An Commune, Cu Chi. Ms. De. Tel: 08.37905987	
Subcontracted processes		Printing	
Facility is located in a special economic zone or other type of commercial zone that exempts it from compliance with any local/national laws		No	
Person responsible for overall social compliance issues		Mrs. Tran Thi Phuong Kim	
Valid certificate for social compliance certification program		None	

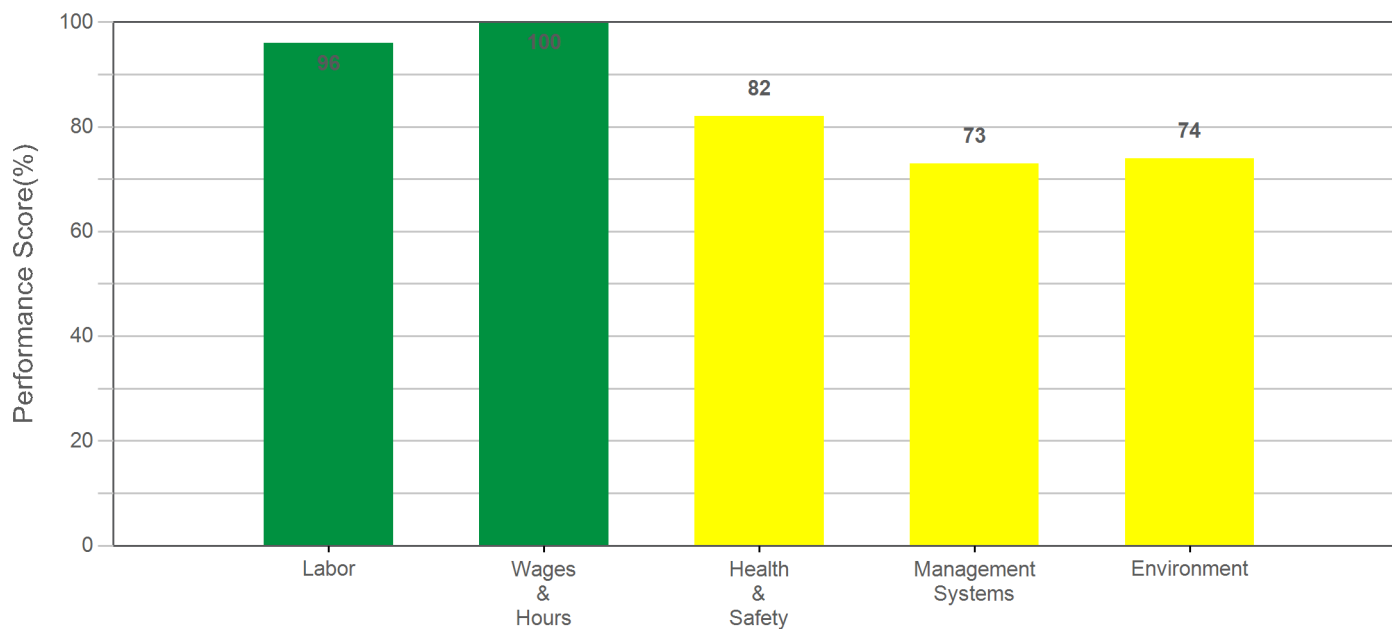
General Overview

SONHA CO.,LTD is located at Group 2 Dong Khoi Street, Tan Hiep ward, Bien Hoa City, Dong Nai province, Vietnam. Total land area occupied by the facility is 19,225 square meters. They have operated at this location since March 2006. The main products manufactured by the facility are knitwear and woven. There is no peak season in this facility. The facility has one sub-contractor for printing which have been authorized by the client.

Audit Process

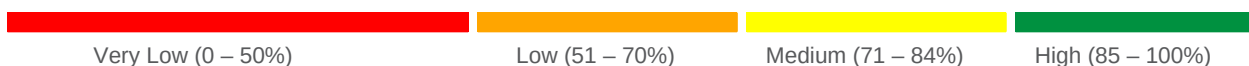
Audit Sample Size: Payroll & Attendance records	Audit sample size: employee interview	Audit Sample Size: Other records reviewed, please specify	Audit Pay Period Provided for Review, please specify
30 payroll and time records including 20 records from May 2013 (current month), 5 records in April 2013 (sample month) and 5 records in December 2012 (sample month)	30 randomly selected employees from different sections.	Labour contracts and Employee files.	Payroll and time records from June 2012 to May 2013

I. Facility Performance Summary

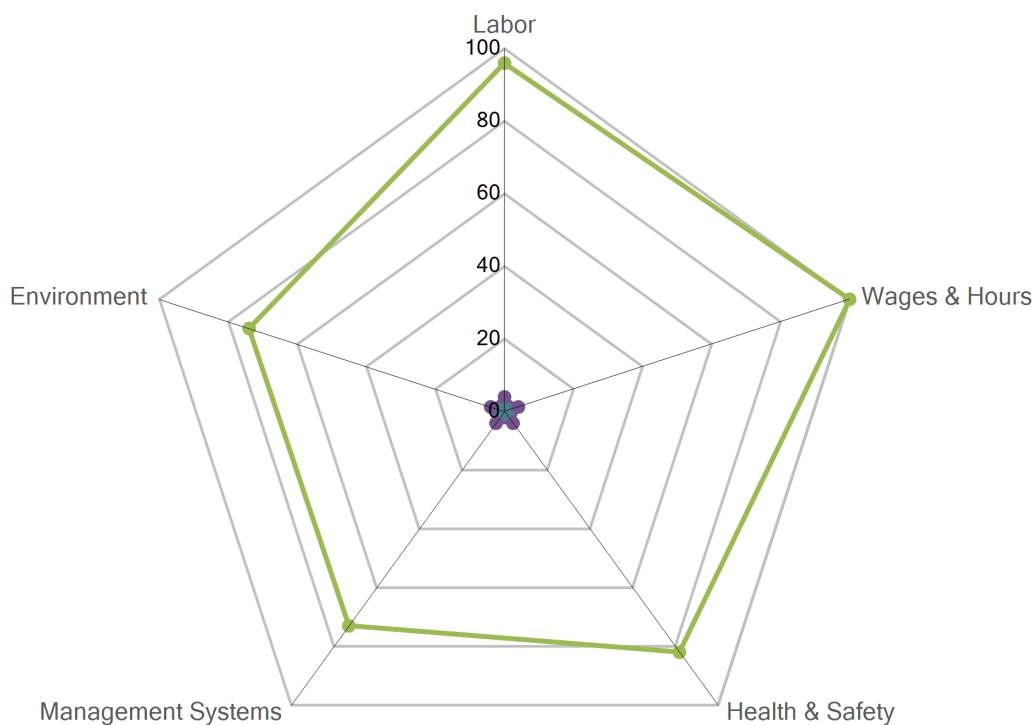


Performance Summary	Overall Compliance(%)	Non Compliance (%)							
		Major		Moderate		Minor		Zero Tolerance	
		# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%
Facility Summary	88%	0	0.00%	6	8.73%	6	3.47%	0	0.00%

Performance Summary	Section Compliance		Non Compliance (%)								# of Total Applicable Questions
			Major		Moderate		Minor		Zero Tolerance		
	# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%	# of Questions	%	
Labor	41	96%	0	0.00%	0	0.00%	1	3.61%	0	0.00%	42
Wages & Hours	28	100%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	28
Health & Safety	97	82%	0	0.00%	4	16.88%	1	1.27%	0	0.00%	102
Management Systems	29	73%	0	0.00%	1	12.50%	4	15.00%	0	0.00%	34
Environment	14	74%	0	0.00%	1	26.32%	0	0.00%	0	0.00%	15



II. Performance Trend Analysis



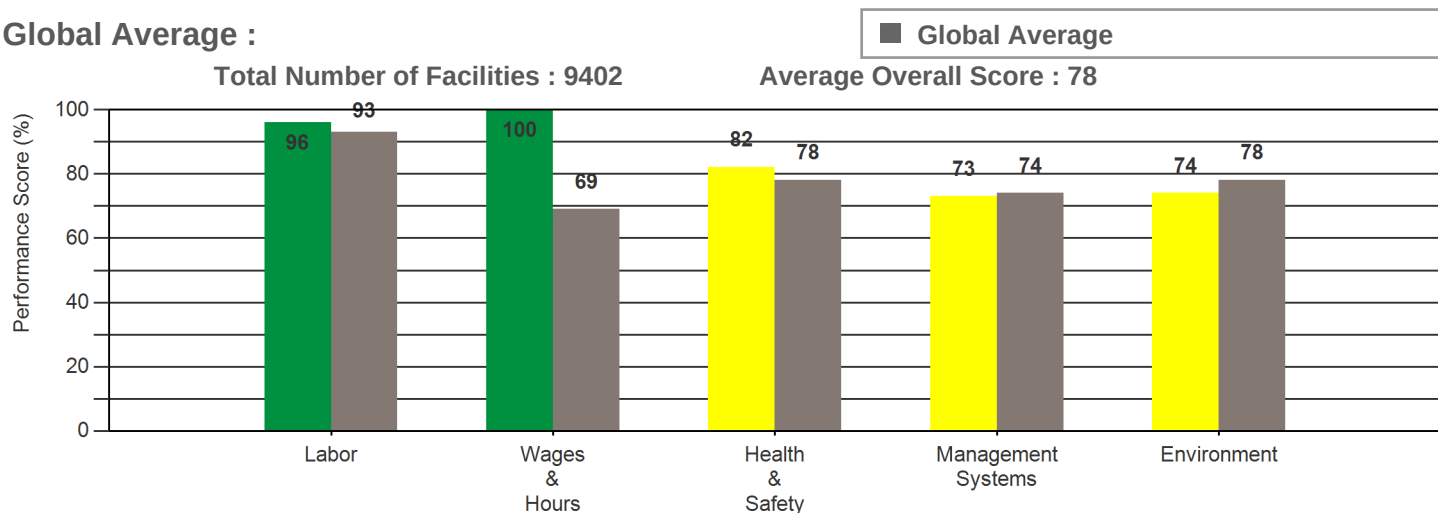
—●— Current Assessment (18-Jun-2013)
 —●— Last Assessment (Not Applicable)
 —●— First Assessment (Not Applicable)

Section Name	Current	Last	First	Change (Current-Last)	Change (Current-First)
Labor	96	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Wages & Hours	100	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Health & Safety	82	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Management Systems	73	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Environment	74	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Overall Score	88	Not Applicable	Not Applicable	Not Applicable	Not Applicable

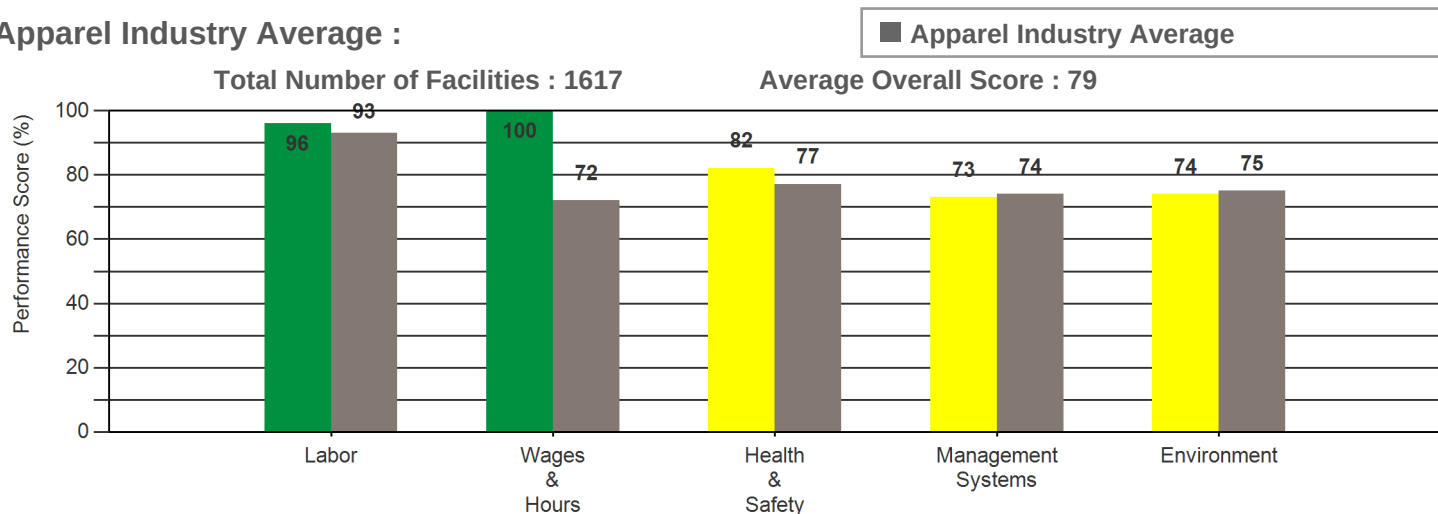
▲ Advancers
 ■ Constant
 ▼ Decliner

III. Comparison Benchmark

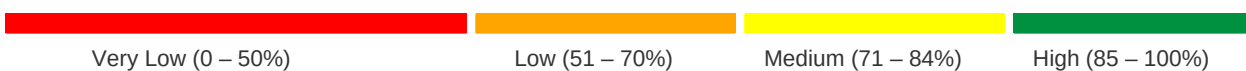
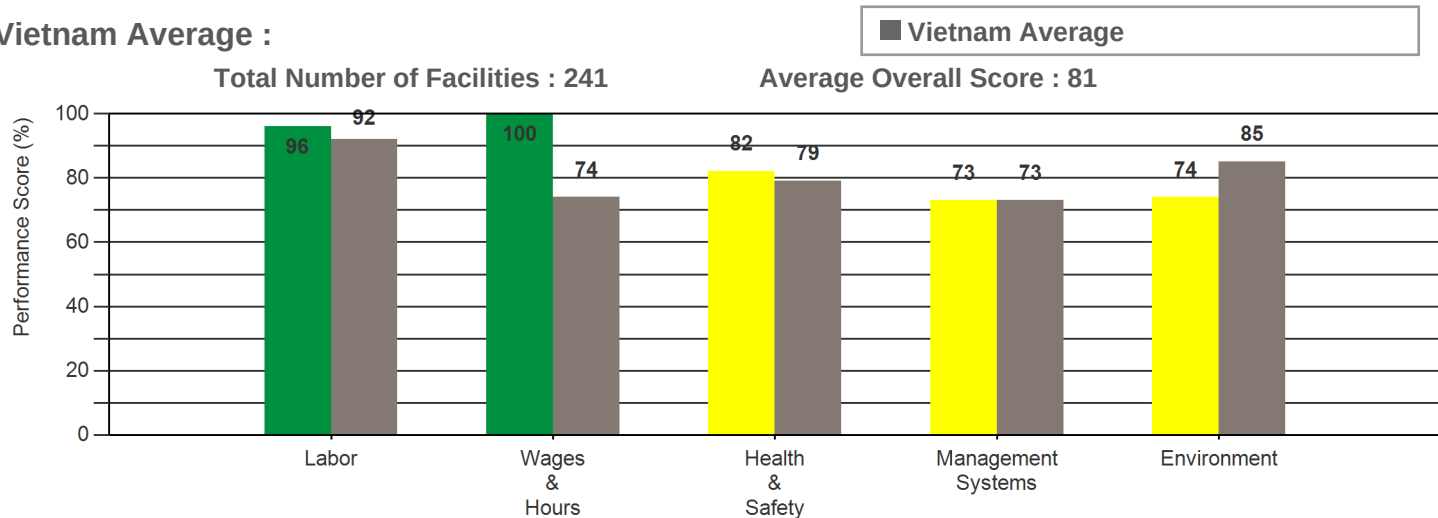
Global Average :



Apparel Industry Average :

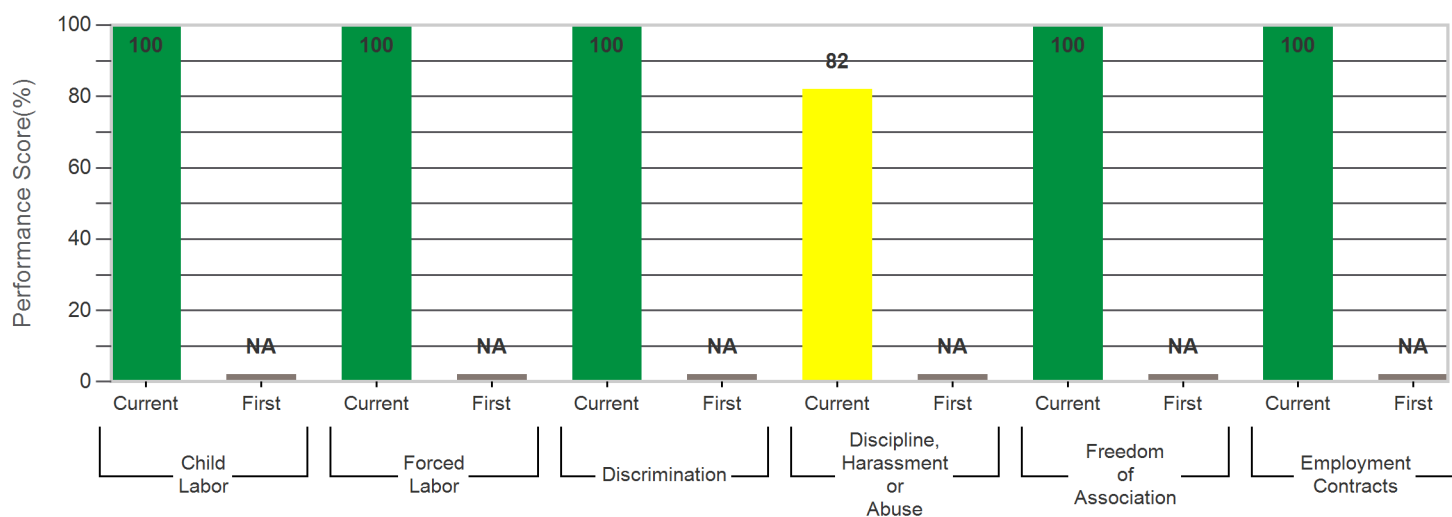


Vietnam Average :

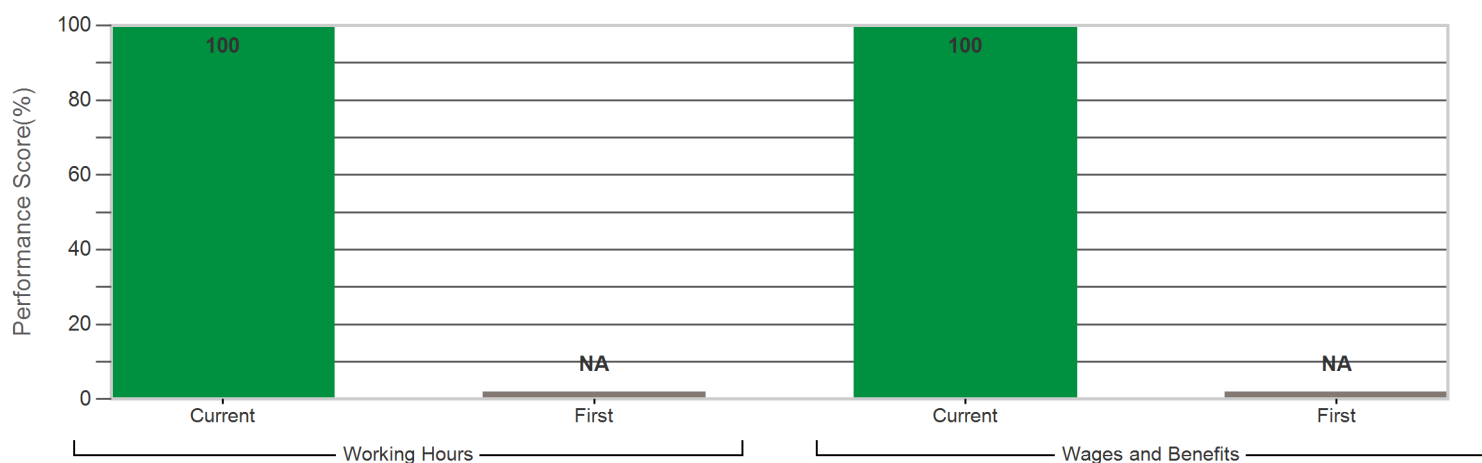


IV. Sub Section Comparison Benchmark

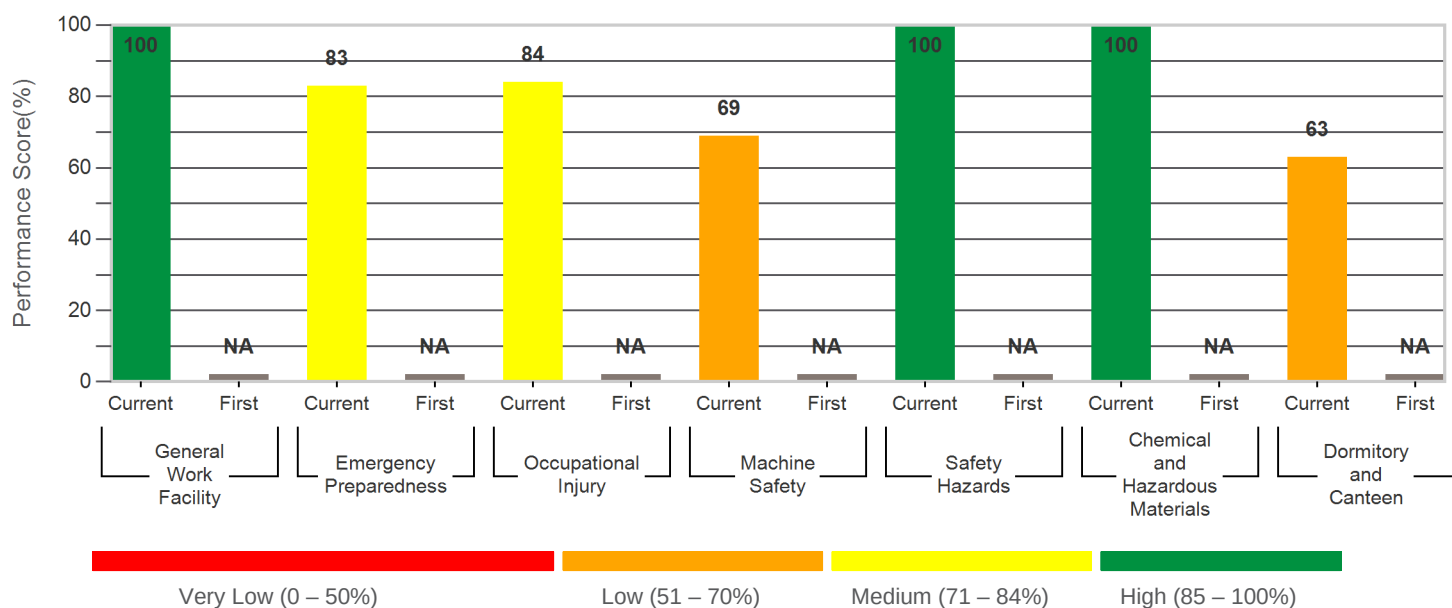
Labor



Wages & Hours

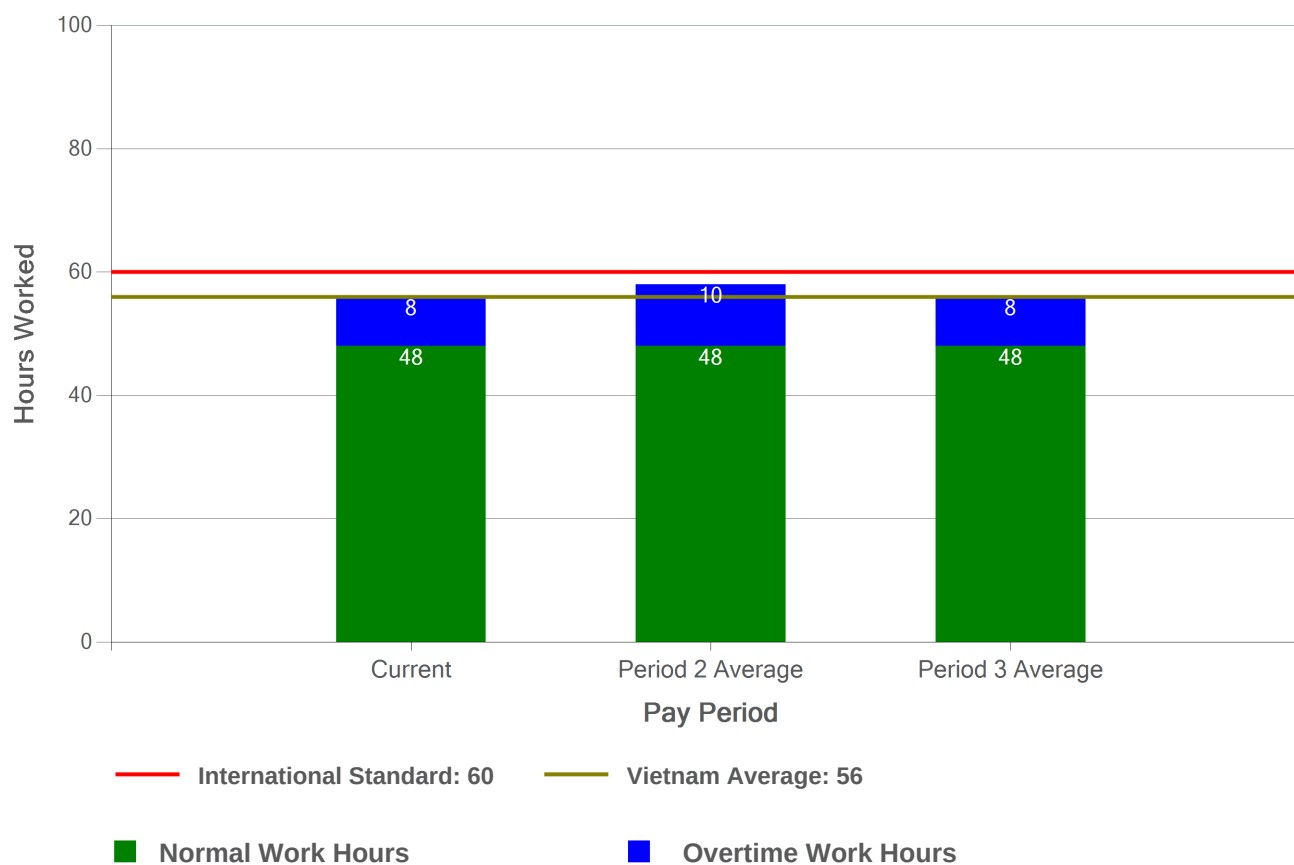


Health & Safety



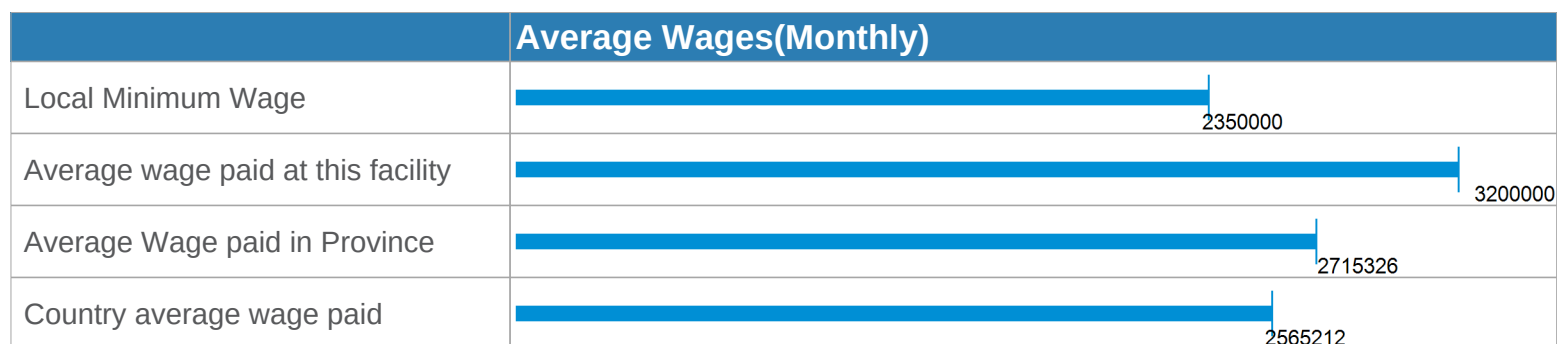
V. Working Hours and Wages

Average Total Hours Worked - Weekly

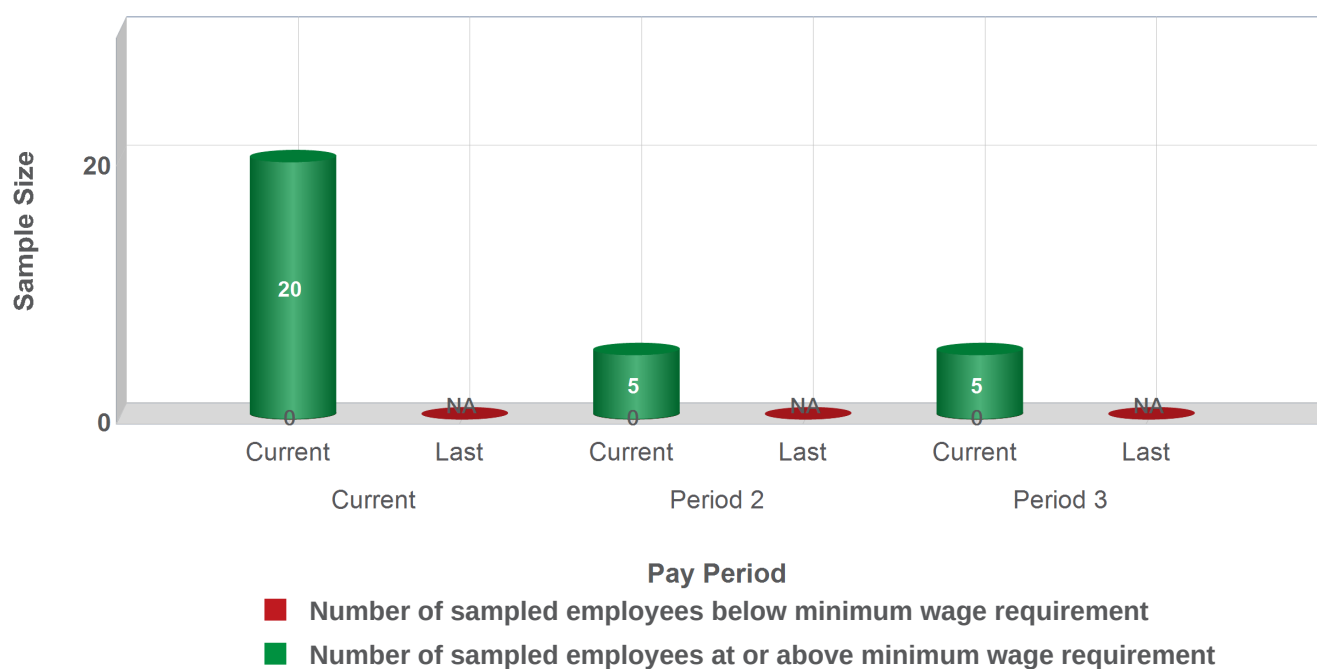


	From (Day-Month-Year)	To (Day-Month-Year)	Peak Season
Current Period Dates	01-05-2013	31-05-2013	NA
Period 2 Dates	01-04-2013	30-04-2013	NA
Period 3 Dates	01-12-2012	31-12-2012	NA

Average Wages Paid in Local Currency (VND)



Wage Analysis- Sampled Records



	From (Day-Month-Year)	To (Day-Month-Year)	Peak Season
Current Period Dates	01-05-2013	31-05-2013	NA
Period 2 Dates	01-04-2013	30-04-2013	NA
Period 3 Dates	01-12-2012	31-12-2012	NA

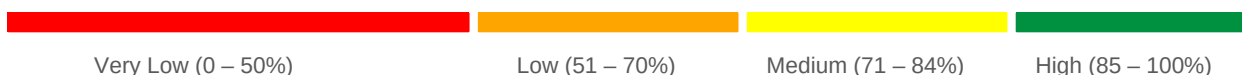
VI Key Strengths and Challenges

Facility Strengths	Rating	Global Freq. of Compliance%
Fire sprinkler is properly installed throughout the facility and regularly maintained.	Moderate	36%
Smoke detector properly installed throughout the facility and regularly maintained.	Moderate	47%
Total overtime hours are within allowable limits under applicable law or agreement.	Moderate	56%

Facility Challenges	Rating	Global Freq. of Compliance%
There is no fire hose equipment located in the dormitory building	Moderate	96%
Access to aisles, stairs and passageways are not kept clear at all times	Moderate	94%
The discharged wastewater / storm water does not meet the discharge limits for regulated constituents	Moderate	93%
The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used	Moderate	91%
Emergency lighting is not provided or sufficient in the dormitory building	Moderate	89%
The facility's written social compliance policy does not provide a clear framework for setting social compliance objectives and targets	Minor	89%
The facility's written manual for processes and procedures does not include a corrective action process procedure	Minor	88%
Managers and supervisors are not trained on appropriate disciplinary measures and training records are not maintained.	Minor	87%
The facility has not implemented an mechanism/program to identify, evaluate and control employee exposure to physically demanding work, such as manual handling, heavy lifting, highly repetitive tasks, and other physically demanding jobs to prevent work-related injuries	Minor	80%
The facility does not conduct periodic assessments (including internal audit) of its management system in order to identify improvement opportunities	Moderate	67%

VII. Opportunities for Improvement

Performance Rating



96%

Section: Labor

SubSection: Discipline, Harassment or Abuse

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	70.00	Managers and supervisors are not trained on appropriate disciplinary measures and training records are not maintained.	87%
			<i>Training of disciplinary measures was not conducted to managers and supervisors.</i>	

82%

Section: Health & Safety

SubSection: Emergency Preparedness

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	189.00	Access to aisles, stairs and passageways are not kept clear at all times	94%
			Vietnam Standard for Fire Prevention No. 2622:1995, Part 7, point 7.24	
			<i>Based on facility tour, it was noted that 2 out of 6 exit routes in material warehouse were partially blocked by fabric.</i>	

SubSection: Occupational Injury

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	208.00	The facility has not implemented an mechanism/program to identify, evaluate and control employee exposure to physically demanding work, such as manual handling, heavy lifting, highly repetitive tasks, and other physically demanding jobs to prevent work-related injuries	80%
			<i>Based on document review and management interview, it was noted that facility does not have program to identify, evaluate and control employee exposure to physically demanding work.</i>	

SubSection: Machine Safety

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	222.00	The facility does not monitor the employees to ensure personal protective equipment (PPE) required to control machine safety hazards is correctly used	91%
			Article 101 point 2 of Vietnam Labor Code	
			<i>Based on facility tour and employee interview, it was noted that 40% employee did not wear cotton mask at sewing section.</i>	

SubSection: Dormitory and Canteen

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	270.00	Emergency lighting is not provided or sufficient in the dormitory building	89%
			<i>Based on facility tour, it was noted that there is no emergency light installed in dormitory</i>	
Moderate	N/A	271.00	There is no fire hose equipment located in the dormitory building	96%
			<i>Based on facility tour, it was noted that there is no fire hose installed in dormitory</i>	

73%

Section: Management Systems

SubSection: Management Systems

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Minor	N/A	289.02	The facility's written social compliance policy does not provide a clear framework for setting social compliance objectives and targets	89%
Minor	N/A	292.08	The facility's written manual for processes and procedures does not include a corrective action process procedure	88%
Moderate	N/A	295.00	The facility does not conduct periodic assessments (including internal audit) of its management system in order to identify improvement opportunities	67%
			<i>Based from management interview, it was noted that the facility did not conduct periodic assessment of its social compliance system.</i>	
Minor	N/A	297.00	There are no written records (correspondence, report, meeting minutes, etc) of a regular management review of the social compliance system	56%
			<i>Based from document review, it was noted that there were no written records of a regular management review of the social compliance system.</i>	
Minor	N/A	300.00	The facility does not provide appropriate training for managers on how to implement its social compliance policies and procedures.	65%
			Circular No. 14/1998/TTLT dated October 31, 1998	
			<i>Based from management interview, it was noted that the facility did not provide appropriate training for managers on how to implement its social compliance policies and procedures.</i>	

74%

Section: Environment

SubSection: Environment

Current (18-Jun-2013)	Last (NA)	ID	Findings	Global Freq. of Compliance %
Moderate	N/A	326.00	The discharged wastewater / storm water does not meet the discharge limits for regulated constituents	93%
			<i>Based on periodically environmental evaluation report on January, 2013, wastewater indexes (COD, SS, General N, general Coliform) were not met the local standards.</i>	

Recommendation for Improvement Plan Timeline

Finding Rating	Improvement Timeline
Zero Tolerance	Take immediate action to make necessary improvements
Major	Take action within one month to make necessary improvements
Moderate	Take action within three months to make necessary improvements
Minor	Take action within six-nine months to make necessary improvements

VIII. Good Practices

Section	Sub-Section	ID	Good Practice Description
Labor	Discrimination	57.00	The facility has written policies that prohibit discrimination
Wages & Hours	Working Hours	124.00	The facility has written procedures in place to determine, manage and control overtime
Health & Safety	Occupational Injury	204.00	For any work-related injuries in the past three years, the facility has performed investigations to determine root cause(s) and implement corrective actions
Management Systems	Management Systems	301.01	The facility communicates with employees using a union representative
		301.03	The facility communicates with employees using a suggestion box
		301.04	The facility communicates with employees using verbal exchange
Environment	Environment	328.00	The facility has implemented energy saving measures or adopted new technologies that are aiming to save energy

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