

# Monitoring result for POLIFILM VIET NAM COMPANY LIMITED on site POLIFILM VIET NAM COMPANY LIMITED

## Monitoring

Monitored Party	: POLIFILM VIET NAM COMPANY LIMITED
amfori ID	: 704-000230-000
Site	: POLIFILM VIET NAM COMPANY LIMITED
Site amfori ID	: 704-000230-002
Address	: Hoa Lan 2 Hamlet, Thuan Giao Ward, Thuan An Town, : Bnh Duong province : Lai Châu : Vietnam
Monitoring Activity	: amfori Social Audit - Manufacturing
Monitoring Type	: Full Monitoring
Submission Date	: 09/04/2021
Expiration Date	: 26/03/2023

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## Overall rating



## Section rating

PA1: Social Management System	C
PA 2: Workers Involvement and Protection	B
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	A
PA 5: Fair Remuneration	A
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	A
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A

PA 10: No Precarious Employment	A
PA 11: No Bonded Labour	A
PA 12: Protection of the Environment	A
PA 13: Ethical Business Behaviour	A

## General description

Auditors' Name & APSCA Number: Long Pham - RA21700489, Hanh Tran - RA21703021, and Chuong Tieu - RA21700491.

Three auditors conducted this audit in one day. Total man-days for this audit was 3 man-days including 0.5 man-day for report writing.

POLIFILM VIET NAM COMPANY LIMITED (old name was Folag Vietnam Co., Ltd) is located at Hoa Lan 2 Hamlet, Thuan Giao Village, Thuan An District, Binh Duong Province, Vietnam. The facility has operated since 2008 with business license No.3700593590 as a manufacturer of garden plastic products. The main production processes are listed as follows: Extrusion, cutting, sewing, packing and storage.

In view of the facility, it occupies 6,600 square meters of land area and compose of 2 buildings: one flat building is used for production and warehouse and one 2-storeys building is used for the office. There is no dormitory, canteen and kitchen available for the employees.

There are 118 employees including 58 female employees and 60 male employees working in the facility.

Performance Area 3 (The rights of Freedom of Association and Collective Bargaining): The facility management did not discriminate or interfere into trade union. The facility has also signed the CBA with chairman of trade union. The trade union also conducted quarterly meeting with the facility management to discuss about workers' concerns, health and safety.

Performance Area 4 (No Discrimination): The facility has established anti-discrimination policy. This policy was posted at the bulletin boards as well as trainings during orientation to new workers and annual refresh training. The interviewed employees stated that they were received training on anti-discrimination policy and know how to report to top management if they witness any case of discrimination.

Performance Area 5 (Fair Remuneration): General overview, the facility has established the wage scale and registered with the local authority. The legal minimum wage applied to this facility is VND 4,420,000 per month. Meanwhile, the facility paid at least VND 5,150,000 per month. The facility applied monthly salary to all employees. The pay day is set on 29-30th day monthly. The circle payment is from 26th day of previous month to 25th day of current month. Salary is paid in cash with pay slips provided to the employees. Based on the payroll and time records of 16 selected employees from February 2021 (current month), November 2020 (non-peak month), and July 2020 (peak month), the employees worked overtime maximum 2 hours per day, 30 hours in a month. Overtime hours were paid correctly at 150% of monthly salary. The facility has provided social insurance, annual leave and holiday as law requirement.

Performance Area 6 (Decent Working Hours): General overview, the facility is using the manual attendance sheet to monitor working hours. The employees work 8 hours per day and 48 hours per week. All employees are working for 6 days from Monday through Saturday in a week. The employees in packing, quality control, maintenance section works in 2 shifts (shift 1 from 6:00 to 14:00, shift 2 from 14:00 to 22:00), the employees in extrusion and security works in 3 shifts (shift 1 from 6:00 to 14:00, shift 2 from 14:00 to 22:00, and shift 3 from 22:00 to 6:00), the other employees works in 1 shift from 8:00 to 17:00 with lunch time from 12:00 to 13:00. Based on the time record of 16 selected employees from February 2021 (current month), November 2020 (non-peak month) and July 2020 (peak month), the employees worked overtime maximum 2 hours per day, 30 hours in a month. All selected employees are provided at least one day off in 7 days.

Performance Area 8 (No Child Labour): The facility has established child labor policy. The auditee has developed and maintains procedure for remediation in case child labour occurs. The facility requested new applicants to submit copies of ID cards, resume, health examination, family booklet, and training certificates. On the interview day, the hiring officer would check original of ID card with copy of ID cards to verify working age. The facility kept all documents in employee files adequately. All personal files contained adequate documents to verify clearly working age at the time of being hired. All workers were hired at least 18 years old.

Performance Area 9 (Special protection for young workers): The facility has established young worker policy. Based on the document review and employee's interview, the facility did not hire young workers. The youngest worker was 18 years old.

Performance Area 10 (No precarious employment): General overview, the facility follows the local laws and regulations to workers. The facility also monitored the social performance of suppliers to ensure that they also follow the legal requirements about labor, compensation and benefits. All employees are signed employment contracts after 6 days to 30 days of probationary period as stipulated by the national labor law.

Performance Area 11 (No Bonded Labour): The facility has established the anti-bonded labor. The facility has provided training for managers and workers about anti-forced labour. As per worker interviews and facility tour, it was noted that there was no evidence of forced, bonded, indentured, trafficked labor. The workers stated that they did not pay any deposit to the facility. The facility has provided training for managers and workers about anti-forced labour. No prison labour or forced labour is noted during the audit. All management staffs and security guards gave job descriptions in corresponding to their daily duties and in compliance with the general concepts of the local laws. All selected employees confirmed that they were working at the facility voluntarily and not forced to work overtime. Overtime registration forms were agreed and signed by employees before overtime performance. During the employment, the facility did not deduct or withhold any money from monthly salary of employees.

Performance Area 12 (Protection of the Environment): The facility has conducted environment impact assessment. The facility invited a service provider to conduct the environment monitoring assessment twice a year. All indicators such as noises level, wastewater, toxic gas within acceptable limit. The facility has obtained the registration letter for hazardous wastes. In order to control living wastes, the facility signed a contract to authority agency to collect and disposal living wastes and hazardous wastes.

#COVID19: As per management discussion, the Covid19 pandemic caused some problems to the facility such as order reduction. Regarding to protection of employees' health during the Covid19 pandemic, the facility asked all employees to wear masks during working at the production areas. Any worker who has high body temperature must inform the facility manager to take day off.

Note: Those documents below were not uploaded in the system due to the fact that they were not applicable.

- Agency labor contract
- Government waivers
- Dormitory
- Canteen
- Inconsistencies between time and production records

## Site Details

Site : POLIFILM VIET NAM COMPANY LIMITED

Site amfori ID : 704-000230-002

### GICS Classification

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Sector : Industrials

Industry : Machinery

Industry Group : Capital Goods

Sub Industry : Agricultural & Farm Machinery

### amfori Process Classifications

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N.A.

### GS1 Classifications

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N.A.

### NACE Classification

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N.A.

### Water Stress Situation

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N.A.

## Metrics

### Key Metrics

Total workforce	118 Workers
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### Other Metrics

Permanent workers - Male	60 Workers
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Permanent workers - Female	58 Workers
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Management - Male	2 Workers
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Management - Female	2 Workers
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Workers with night shift - Male	17 Workers
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Unionised workers - Male	58 Workers
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Unionised workers - Female	59 Workers
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Pregnant workers	2 Workers
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## Findings

### PA1: Social Management System

The facility appointed a senior manager to ensure that the amfori BSCI values and principles are followed in a satisfactory manner. The facility had effective workforce planning to control overtime hour and overtime payment to meet the law requirements and the expectations of the delivery order and contract. However, based on satisfactory evidences, the main auditee partially respect this principle because of the deviations/reasons below:

Based on the document review, the facility did setup a management system to implement the BSCI Code of Conduct, however it was not sufficient system to monitoring social compliance performance in the facility. Refer to findings in performance areas.

Công ty chưa có hệ thống quản lý hiệu quả để thực hiện chương trình BSCI. Xem các vấn đề cần cải thiện bên dưới.

Based on the document review, the facility established a functioning system to select, audit and monitor the business partners regarding social performance based on BSCI requirements. However, the facility did not monitor of implementation on social performance of business partners.

Công ty có thiết lập tiêu chuẩn đánh giá, lựa chọn đánh giá các đối tác kinh doanh dựa trên các yêu cầu của BSCI. Tuy nhiên, Công ty chưa tiến hành theo dõi việc thực hiện trách nhiệm của các đối tác kinh doanh.

### PA 2: Workers Involvement and Protection

General overview, the employees understood their rights and duty when they are working in the facility. The employees are aware of basic legal benefits that they are entitled to such as annual leave, sick leave, maternity leave, social insurances and rights to refuse to work if they do not feel safety to perform the tasks. They knew how to raise their concerns and suggestions to top management via suggestion box and meet the chairman of trade union directly to talk when they want to. Based on the facility tour, BSCI code of conduct was posted at the workshop. However, based on satisfactory evidences, the main auditee partially respect this principle because of the deviations/reasons below:

As per document review, it was noted that the facility has established the long-term goals for protecting employees in line with the aspiration of BSCI Code of Conduct. However, the long-term goals have not point out which were the critical issues and the specific methods and steps to achieve those objectives.

Ghi nhận nhà máy đã thành lập được mục tiêu dài hạn để bảo đảm quyền lợi của người lao động. Tuy nhiên, kế hoạch dài hạn của nhà máy vẫn chưa đưa ra được những điểm ưu tiên cần phải thực hiện và những bước cụ thể để có thể đạt được mục tiêu đề ra.

Based on the document review, the facility has established written procedure of grievance mechanism with suggestion box, and other alternative ways for lodging complaints such as hotline, and email. The facility also conducted survey on the grievance procedure to see satisfaction among the users. However, the written procedure of grievance mechanism did not have an operational level grievance mechanism for communities.

Công ty có thiết lập quy trình xử lý khiếu nại thông qua hộp thư góp ý và có đa dạng các kênh để thu thập ý kiến phản hồi từ công nhân như đường dây nóng, thư điện tử cũng như tiến hành đo lường mức độ hài lòng của công nhân về quy trình khiếu kiện. Nhưng chưa có thiết lập quy trình khiếu nại cộng đồng.

### PA 7: Occupational Health and Safety

General overview, the facility has conducted health and safety risk assessment. The facility invited the local medical center to provide training on first aid skills. The facility provided annual health check-up for all employees. The drinking water was tested quarterly. The facility also received the approval letter for fire fighting and prevention project. The annual fire fighting drill was conducted under the observation of the local firefighting police department. The facility has established a firefighting team who were trained by local firefighting police. The facility also installed lightning protection system and adequate fire equipment such as water tank, fire alarm, fire hose, emergency light and exit sign. Air compressors and forklifts are inspected regularly. Working condition was inspected annually. Based on the facility tour, the facility posted an emergency evacuation plans at all sections. Position of fire equipment, emergency exit, assembly point and "You are here" sign were marked on evacuation plans. Fire alarms are equipped at all sections. There were at least two emergency exits at each section. All emergency exits are opened outward with single motion and unblocked. Exit signs and emergency lights are equipped at all emergency exit. Smoke detectors are equipped at workshop. There is adequate number and appropriate types of fire extinguishers were equipped at all sections. The exit arrows are marked at all sections. Assembling area of fire safety is marked clearly. The workshop is found to be generally in good condition. Employees wear the appropriate protective equipment. The drinking water is available at work area. The toilets and lavatories were found to be hygienic and segregated by sex. The facility has not restricted any person from going to the toilet and drinking water. The first aid kits with sufficient items were available at all sections. However, based on satisfactory evidences, the main auditee partially respect this principle because of

It was noted that the facility has conducted risk assessment on for all production sections of the facility and not consideration of transmittable and non-transmittable diseases in work environment as well as did not take into consideration the special needs of the most vulnerable workers such as pregnant workers and new mothers.

Nhà máy có làm bảng nhận diện và phân tích rủi ro tai nạn các bộ phận sản xuất và nơi làm việc trong nhà máy cơ khí và chưa có nhận diện mối nguy bệnh truyền nhiễm và không truyền nhiễm hiện diện tại nơi làm việc. Thêm vào đó, chưa có

## PA 7: Occupational Health and Safety

xem xét các nhu cầu đặc biệt dành cho lao động dễ bị tổn thương như lao động mang thai và sau thai sản làm việc môi trường như thế nào.

In accordance with Article 17, Decree 44/2016/ND-CP dated 15 May 2016: All employees shall be trained on Health and safety. They are classified in six (6) groups: Group 1-Management board of Health and safety system, Group 2-Members of Health, safety, environment committee, Group 3- Persons working in restricted jobs or highly-demanding on safety, Group 4-All other employees, Group 5-Medical staffs and Group 6-Members in the safety, hygiene network. As per document review, it was noted that the Health and safety training was provided for Group 1-Management board of Health and safety system, Group 2-Members of Health, safety, environment committee, Group 3- Persons working in restricted jobs or highly-demanding on safety, Group 4-All other employees and Group 6-Members in the safety, hygiene network. However, the Health and safety training was missing the training for group 3 (Air compressor operators and Forklift operator) as per law requirement. In addition, health and safety training for group 2 (2 employees), Group 4 (100 employees) and group 6 (1 employee) were expired on March 16, 2021.

Ghi nhận Nhóm 3- nhân viên vận hành máy nén khí và xe nâng chưa được cung cấp huấn luyện và chứng nhận an toàn lao động theo yêu cầu. Ngoài ra huấn luyện an toàn cho nhóm 2, nhóm 4 và nhóm 6 đã hết hạn từ 16/3/2021.

Law on occupational safety and hygiene (Law No. 84/2015/QH13), Article 23. Personal protective equipment, 1. Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work. During the health and safety walkthrough, it was noted that at least 2 out of 6 employees at extrusion section did not wear earplug during working time. The facility provided earplug for all employees at extrusion section free of charge.

Ghi nhận rằng c&ocirc;ute, &iacutet nhất 2/6 c&ocirc;ng nh&acirc;n ở bộ phận thổi kh&ocirc;ng mang n&uacute;t chống ồn trong khi l&agrave;m việc.

In accordance with Article 30 of Law on Chemical No. 06/2007/QH12 dated November 21, 2007 of the XII National Assembly: The facility shall provide safety measurement to ensure safety storage and usage of chemicals and Article 29 of Law on Chemical No. 06/2007/QH12 dated November 21, 2007 of the XII National Assembly: Hazardous chemicals shall be accompanied by a Material Safety Data Sheet and Article 27 of Law on chemical No. 06/2007/QH12 dated 21st November 2007 of the XII National Assembly: Chemicals must be classified and labelled prior to transportation and using. Based on the facility tour, there were no secondary containment, label and MSDSs for 2 chemical bottles (acetone and machine oil) at extrusion section.

Không có trang bị khay chứa phụ, nhãn và bảng an toàn sử dụng hóa chất cho 2 bình hóa chất (acton và dầu máy) ở bộ phận thổi

In accordance with Law No. 28/2004/QH11 on electricity, Article 57. Safety in use of electricity for production. Point 1. Organizations and individuals using electricity for production must comply with the regulations on electric safety, regulations and technical standards on electric safety must conform with Vietnamese standards. 3. The internal transformer stations, high-voltage equipment and transmission lines must be installed and managed according to electric safety regulations and technical standards Based on facility tour, it was noted that all electrical panels were provided outer safety cover. However, 2 out of 5 sampled electric panels in the facility did not have safety inner cover.

Ghi nhận 2/5 tủ điện chưa lắp nắp bảo vệ b&ecirc;n trong.

In accordance with Law on occupational safety and hygiene (Law No. 84/2015/QH13), Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace, 2. Machinery, equipment, materials and substance shall be used, operated, maintained and preserved at the workplace in conformity with technical standards of occupational safety and hygiene, or technical regulation on occupational safety and hygiene that promulgated, applied and internal regulations and process for assuring occupational safety and hygiene at the workplace. 5. Machinery, equipment, materials, workshops, and depots must be periodically inspected and maintained. 6. There are warning, and instruction signs made in Vietnamese and popular language of employees in relation to occupational safety and hygiene for machinery, equipment, materials and substances that having strict safety and hygiene requirements at the workplace, preservation places, usage places that are placed at obvious locations. Based on facility tour, all machines were in good condition. Sewing machines were equipped pulley guards. However, 8 sewing machines were not equipped needle guard.

8 m&aacute;y may kh&ocirc;ng c&ocirc;ute, trang bị bảo vệ kim.

Not applicable. The facility did not provide the canteen for the workers

Not applicable. The facility did not provide the transportation for the workers

Not applicable. The facility did not provide the dormitory and social facilities for the workers

## PA 13: Ethical Business Behaviour

The facility has established the anti-corruption and bribery. The facility also provided training for all employees about this policy. During the audit, all records were provided for reviewed as requirement. However, based on satisfactory evidences, the main auditee partially respect this principle because of the deviations/reasons below:

Based on time record review, management interview, it was noted that the manual time record has been applied to record the working hours of employees. The manual time was marked "X1, X2, X3" is used for recording 01 working days (8 normal working hours) for 1st shift (6:00 to 14:00), 2nd shift (14:00 to 22:00), and 3rd shift (22:00 to 6:00) respectively. Noted that the



## PA 13: Ethical Business Behaviour

manual time records were completed by supervisors and was confirmed by each employee with signature. During the audit, there was no inconsistency found between manual time records with other records. Thus, the payrolls, benefits, regular working hours and OT hours were verified during the audit day.

Ghi nhận chấm công tay được sử dụng để quản lý giờ làm việc của công nhân. Công nhân viên đánh "X1, X2, X3" cho 8h làm việc của 3 ca. Chấm công được chấm bởi quản lý và có xác nhận của công nhân. Trong quá trình đánh giá, không có sự không có sự sai khác được tìm thấy giữa hồ sơ thời gian thủ công với các hồ sơ khác. Do đó, bảng lương / lợi ích / giờ làm việc thông thường và giờ OT có thể được xác minh trong ngày kiểm toán.