

**WORKER RIGHTS CONSORTIUM ASSESSMENT
DONG THANH GARMENT JOINT STOCK CO.
(VIETNAM)
UPDATED FINDINGS AND RECOMMENDATIONS**



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I. Introduction and Executive Summary

A. Introduction

This 2025 report updates the findings and recommendations of previous assessments by the Worker Rights Consortium (“WRC”) in 2019 and 2022 of Dong Thanh Garment Joint Stock Co. (referred to by its owners as “Dong Thanh II” to distinguish it from a sister plant, “Dong Thanh I”, but referenced herein as “Dong Thanh”), a factory producing apparel in Quảng Ngãi, Vietnam, in the central region of the country.¹ This report includes the findings and recommendations of the WRC’s previous assessments of the factory, as well as the WRC’s updated findings and recommendations in 2025.

The WRC undertook this follow-up assessment of Dong Thanh, on a complaint concerning uncorrected safety and health hazards at the factory, pursuant to the WRC’s role as independent factory monitor for both the City and County of San Francisco, California (“San Francisco” or “City of San Francisco”), under San Francisco’s Sweatfree Contracting Ordinance (“City of San Francisco Ordinance”) which sets labor rights standards for manufacturers of apparel supplied to San Francisco by San Francisco’s vendors,² and the City of Los Angeles (“Los Angeles” or “City of Los Angeles”) under Los Angeles’ Sweatfree Contracting Ordinance (“City of Los Angeles Ordinance”), which sets labor rights standards for manufacturers of apparel supplied to the City of Los Angeles by the City of Los Angeles’s vendors.³

Dong Thanh has been identified in disclosure data provided to the WRC by both the City of Los Angeles and San Francisco (collectively, “the Cities”) as a subcontractor to 5.11 Tactical, a contractor to the Cities’ respective apparel vendors, Galls, LLC (“Galls”) and Banner Uniforms (“Banner”), for manufacturing of apparel supplied to the Cities’ employees.

Dong Thanh is a subsidiary of the Taiwanese-based garment manufacturing conglomerate, NOA Group Corporation, which, as noted, also owns another factory in Vietnam, Dong Thanh I.⁴ At the time of the WRC’s most recent assessment of the factory in 2025 Dong Thanh employed 226 workers.

¹ The WRC had conducted its initial compliance assessment of Dong Thanh in 2019 pursuant to the WRC’s role as an independent factory monitor for the City and County of San Francisco, California (“San Francisco”) under San Francisco’s Sweatfree Contracting Ordinance (“City of San Francisco Ordinance”) which likewise sets labor rights standards for manufacturers of apparel supplied to San Francisco by San Francisco’s vendors. In 2022, the WRC undertook a follow-up assessment of Dong Thanh for San Francisco, the US nonprofit organization Sweatfree Purchasing Consortium, and the City of Madison, Wisconsin (“City of Madison”). At that time, Dong Thanh was disclosed by City of Madison vendors as producing apparel purchased by the City of Madison and covered by the City of Madison’s Sweatfree Purchasing Ordinance (“Ordinance”) City of Madison, Ordinance No. 01665 (Dec. 12, 2005) (amending the Madison General Ordinances to create Section 4.25 relating to city procurement of items of apparel (sweat-free procurement policies)).

² *Codified as*, San Francisco, Cal., Administrative Code, Ch.12U (“Adm. Code”) (2005), *as amended*, Feb. 11, 2010, [http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter12usweatfreecontracting?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$anc=JD_Chapter12U](http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter12usweatfreecontracting?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_Chapter12U).

³ Ordinance No. 176291 (Nov. 9, 2004) (amending the Los Angeles Administrative Code to establish a sweatshop-free policy for procurement of equipment, materials, goods, and supplies, and to establish compliance procedures for the City’s “Contractor Code of Conduct.”).

⁴ NOA Group Corp., “About Us,” accessed August 1, 2025, <https://www.thenoagroup.com.tw/about-us>.

Both Los Angeles’s Ordinance and the City of San Francisco’s Ordinance (collectively, “the Cities’ Ordinances” or “the Ordinances”) require manufacturers of apparel supplied to these cities to comply with all applicable national labor and employment laws of the country where manufacturing occurs and certain additional labor standards, including, in the case of San Francisco’s Ordinance, payment of a non-poverty wage.⁵ As a result, the Ordinances require that 5.11 Tactical ensure that Dong Thanh complies with Vietnamese labor laws and regulations, as well as with those conventions of the International Labour Organization (ILO) that the country’s government has ratified⁶ or is otherwise obligated by national and/or international law to enforce.⁷

B. Summary of Previous Findings of Violations

As detailed in Section III of this report, the WRC’s initial assessment of Dong Thanh in 2019 found violations of Vietnamese labor law, relevant international labor standards, buyer codes of conduct, and/or the Cities’ Ordinances in the following areas:

Wages and Hours

- **Excessive Overtime** – including, on occasion, unlawfully permitting workers to perform overtime in excess of the maximum permissible under Vietnamese law;
- **Non-Provision of Breaktimes** – including failing to provide workers with two legally mandated short break periods—one in the morning and one in the afternoon;
- **Non-Poverty Wages** – including that, while complying with Vietnam’s legal *minimum* wage standard, Dong Thanh failed to provide employees with a wage for regular working hours that met the City of San Francisco’s *non-poverty* wage standard;
- **Punitive Wage Deductions** – including unlawfully deducting workers’ entire monthly attendance bonus when workers take more than two days of statutory sick leave or family leave, even if this leave has already been approved, thereby restricting workers’ access to this leave;

⁵ City of San Francisco Adm. Code, Ch.12U.

⁶ Vietnam has ratified 21 Conventions of the ILO, of which 18 concern labor rights and working conditions (the remaining three address government employment policy and labor ministry administration). Six of these 18 are the ILO’s “Fundamental Conventions”: Conventions 29 (Forced Labour), 87 (Freedom of Association and Right to Organise), 138 (Minimum Age), 182 (Worst Forms of Child Labour), 100 (Equal Remuneration), and 111 (Discrimination (Employment and Occupation)). The remaining 12 are “Technical Conventions”: Conventions 6 (Night Work of Young Persons (Industry)), 14 (Weekly Rest (Industry)), 27 (Marking of Weight (Packages Transported by Vessels)), 45 (Underground Work (Women)), 80 (Final Articles Revision), 116 (Final Articles Revision), 120 (Hygiene (Commerce and Offices)), 123 (Minimum Age (Underground Work)), 124 (Medical Examination of Young Persons (Underground Work)), 155 (Occupational Safety and Health), 187 (Promotional Framework for Occupational Safety and Health), and Maritime Labour Convention, 2006 (MLC, 2006). As an ILO member state, Vietnam is also obligated under the ILO Declaration on Fundamental Principles and Rights at Work (1998) to comply with all “Fundamental Conventions”, which additionally includes Convention 98 (Right to Organise and Collective Bargaining), even though it has not ratified this convention.

⁷ Constitution of the Socialist Republic of Viet Nam, Article 12 (“The Socialist Republic of Vietnam shall consistently ... abide by the Charter of the United Nations and treaties to which the Socialist Republic of Vietnam is a contracting party....”),
<https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/94490/114946/F114201808/VNM94490>.

- **Inadequate Childcare Allowance** – including failing to provide a legally required allowance for childcare that complies with its buyer’s code of conduct; and
- **Inadequate Pay Records** – including failing to comply with the City of San Francisco’s Ordinance by failing to maintain records of how certain workers’ wages are calculated.

Statutory Paid Time Off

- **Restrictions on Use of Sick Leave and Family Leave** – including, as noted, restricting workers’ use of these statutory benefits by deducting their entire attendance bonus whenever workers take more than two days of sick leave or family leave, even if this leave has already been approved.

Freedom of Association

- **Employer Domination of Factory Labor Union** – including by having the leadership of the factory labor union that represents its production workers entirely comprised of members of the management and office personnel.

Occupational Safety and Health⁸

- **Fire Safety Hazards** – including locked and otherwise obstructed exits, obstructed aiseways, and unsafe storage of flammable gases, combustible supplies, and waste materials;
- **Inadequate Personal Protective Equipment** – including failing to provide proper equipment to protect workers from exposure to chemical vapors and steam burns;
- **Machine Guarding** – including exposure to potential injuries from unguarded cutting and fan blades, belt-drives, and needles;
- **Electrical Hazards** – including hazards from spliced and hanging electrical cords and ungrounded outlets;
- **Ergonomics** – including seating machine operators on unpadded backless wood benches; and
- **Respiratory Hazards** – including exposure to chemical vapors and particulates from laser cutting machinery.

The WRC’s 2019 assessment of Dong Thanh also identified two other issues that, while they did not violate the Cities’ Ordinances or other legal or contractual standards to which the factory is subject, are discussed herein, as they are inconsistent with responsible business practice:

- Inadequate food served to workers in the factory’s canteen as their mid-day meal, which workers relied on as a significant part of their daily nutrition; and

⁸ It should be noted that, as the WRC’s health and safety assessment of the factory was conducted prior to the onset of the Covid-19 pandemic, the discussion in this report does not touch on the important infection control measures that are necessary for factories to adopt to protect garment workers from transmission of Covid-19. For discussion of such measures, see, WRC and Maquiladora Health & Safety Support Network, “Effective Infection Control Practices and Policies for Operating Apparel and Textile Factories,” April 2020, <https://www.workersrights.org/wp-content/uploads/2020/04/WRC-MHSSN-Infection-Control-04102020.pdf>.

- Failure to provide workers with written wage statements, which makes it difficult for employees to determine how their wages are being calculated and whether the company is properly paying them.

The violations and concerns that the WRC identified in its original assessment of the factory, and their current status, as well as the methodology by which the WRC reached these findings, are discussed in further detail in the body of this report, as are a number of new violations at the factory which were not previously present.⁹

C. 2025 Findings of Violations and Recommendations for Corrective Action

As this report details, for each violation found in the WRC's 2019 assessment, the WRC made recommendations to Dong Thanh for how the identified violations could be corrected. Dong Thanh, between February and July 2020, provided detailed corrective action plans in response to the WRC's findings, which were supported by documentation and photographs of steps it reported it had already taken to address many of the violations the WRC had identified. In its 2022 update of the 2019 assessment, the WRC determined and reported the extent to which the WRC's recommendations for corrective action had been implemented by the factory at that time.

This report updates and discusses the current status of these findings and their remediation as of 2025. As discussed in detail, although some violations remain outstanding, in many areas, the factory has taken significant corrective actions that have resolved the WRC's initial findings of violations, to the substantial and ongoing benefit of the factory's workers.

1. Prior Violations Resolved—Corrective Actions Maintained

The WRC has confirmed that the factory has maintained the following corrective actions that it took in response to prior findings of violations by the WRC:

Wages and Hours

- **Providing breaktimes.** Adopting a policy permitting workers to take their two legally mandated short break periods—one in the morning and one in the afternoon;
- **Improved wage policies.** Increasing workers' pay allowances, and improving its policies associated with them, to increase wages—although these wages now fall short of the Cities' non-poverty wage standard;

⁹ The fact that the WRC's investigations, as reported in this document, did not reach findings of violations in certain areas of the factory's labor practices should not be construed as a certification of the factory's overall compliance with respect to its practices in those general areas. Also note that, while the WRC's original assessment of the factory included an overall safety and health inspection by a certified industrial hygienist, the 2025 update did not, though it included a visit to the factory by the WRC's representatives, who are experienced labor rights experts. Finally, the WRC's inspections of the factory have not included specialized fire, electrical, or structural safety inspections by engineers in those fields and should not be considered to denote the factory's compliance with respect to issues where only such specialists can provide such a certification.

- **Eliminating punitive wage deductions.** Ending its unlawful and punitive prior policy of deducting workers' entire monthly attendance bonus when workers take statutory sick leave or family leave; and
- **Providing pay statements.** Improving transparency of its pay practices by maintaining more detailed records of how workers' wages are calculated.

Health and Safety

- **Improved fire safety.** Ensuring that exit aiseways are not obstructed.
- **Improved personal protective equipment (PPE).** Providing workers with improved protective equipment to guard against exposure to chemical vapors and steam burns;
- **Safer machinery.** Adding guards to cutting and fan blades, belt-drives, and sewing machines; and
- **Improved electrical safety.** Eliminating electrical hazards from spliced and hanging electrical cords.

2. New and Reoccurring Violations Identified—Corrective Actions Required

In other areas, however, the WRC found that previous improvements to the factory's labor practices have not been maintained or that new violations have occurred. These instances of regression are as follows:

Wages and Hours

- **Ending a required wage premium.** Ceasing to provide workers with a legally required seven percent wage premium for skilled work; and
- **No longer paying non-poverty wages.** No longer providing employees with a wage for regular working hours that meets the Cities' non-poverty wage standard.

Freedom of Association

- **Renewed management domination of factory labor union.** Ceasing to ensure that the top leadership of the factory labor union are production workers and not managers and office personnel.

Benefits

- **Late enrollment of new workers in state social security program.** Failure to enroll workers under Vietnam's Social Security system in a timely manner.

Health and Safety

- **Materials storage.** Unsafe storage of flammable gases, combustible supplies, and waste materials;
- **Noise levels.** Failure to ensure a work environment without excessive noise;
- **Electrical hazards.** Ceasing to ensure that all electrical outlets are grounded;

- **Tripping hazards.** Ceasing to ensure that there are no tripping hazards throughout the factory area;
- **Excessive temperature.** Failing to maintain the company's evaporative cooling pad system and to ensure that temperatures in the workplace are within legal limits;
- **Ergonomic hazards.** Failing to ensure that workers are provided ergonomically correct chairs; and
- **Unhygienic conditions.** Failure to keep kitchen facilities, health facilities, and toilet facilities in a sanitary condition.

The WRC continues urge the factory to implement, and for its buyers to require and support the adoption of, the recommendations for remediation of these violations that are detailed in this report.

II. Methodology

The WRC's initial 2019 findings and recommendations with respect to Dong Thanh were based on the following sources:

- Interviews with Dong Thanh production employees which were conducted both offsite at locations away from the factory chosen by the employees and onsite at the facility during the WRC's October 14, 2019, inspection of the plant;
- Interviews with Dong Thanh managers, which were conducted at the factory premises;
- Physical inspection of the factory conducted on October 14, 2019, which included an occupational safety and health assessment by a certified industrial hygienist;
- A review of relevant company records; and
- A review of relevant Vietnamese labor laws, international labor standards, and the Cities' Ordinances.

The WRC's 2025 update on the current status of remediation is based on an onsite inspection of the factory, a review of documentary evidence provided by Dong Thanh, and interviews with workers conducted between February and August 2025.

III. Findings, Recommendations, Factory Response, and Current Status

The subsections below detail both the 2019 findings and recommendations of the WRC with respect to working conditions and labor practices at Dong Thanh that currently violate or have previously violated Vietnamese labor laws, relevant international labor standards, the Cities' Ordinances, and/or the code of conduct of the factory's buyer, 5.11 Tactical, which is the supplier to the Cities' vendors, Banner and Galls, of the goods produced in the factory that Banner and Galls provides to the Cities, *and* the WRC's assessment in 2025 of the extent to which the corrective measures the factory has taken have fully remedied these violations and have been maintained.

A. Working Hours

Dong Thanh has a single-shift schedule for production employees, who work from 7:30 a.m. to 4:30 p.m. six days per week. A review of the workers' employment contracts revealed that the workers have a contractual right to a one-hour unpaid lunch break between 11:30 a.m. and 12:30 p.m.

Dong Thanh's wage policy stated, and workers confirmed that, as required under Vietnamese law,¹⁰ female employees may choose, for three days each month when they are menstruating, to take an additional half-hour paid break or, if they elect to forgo this break, to receive an additional one and one half hours' wages equaling VND 30,000 (US\$1.18) in 2025.¹¹ A review of the factory's payroll records in 2025 revealed that most women workers at the factory choose the latter option and received these additional wages. Also, in accordance with Vietnamese law,¹² the factory permits employees who are pregnant, starting in the seventh month of their pregnancies, to leave work one hour before the end of their work shifts.

1. Risk of Excessive Overtime

Previous findings and recommendations

The WRC's previous assessments of the factory found that most of the workers whom the WRC interviewed reported performing amounts of overtime that were within the limits set under Vietnamese law—at that time, 12 hours per week, 30 hours per month, and 300 hours per year.¹³ However, at the time the WRC conducted its original assessment of the factory in 2019, a few of

¹⁰ Vietnam Decree No. 45/2013/ND-CP, Article 3 (“Periods included in paid working hours [...] A rest period of 30 minutes every day for menstruating female employees.”).

¹¹ The exchange rates have changed used in this report for US\$1 is VND 22,264 in 2019, VND 23,126 in 2022, and VND 25,475 in 2025.

¹² Vietnam Labor Code (“Labor Code”), Article 155 (2) (“A female employee who performs heavy work, on reaching her seventh month of pregnancy, is entitled to be transferred to lighter work or to have her daily working hours reduced by 01 hour while still receiving her full wage.”).

¹³ Labor Code, Article 106 (2b) (“[e]nsuring that the number of overtime working hours of the employee does not exceed 50 percent of the normal working hours in 01 day; in case of applying regulation on weekly work, the total normal working hours plus overtime working hours shall not exceed 12 hours in 01 week; [and] overtime working hours shall not exceed 30 hours per month and 200 hours in 01 year, except for some special cases as regulated by the Government, [where] the total number of overtime working hours shall not exceed 300 hours in 01 year”).

the workers whom the WRC interviewed were found to have performed up to 40 or 60 hours of overtime per month, which was well in excess of the legal maximum.

The WRC recommended that, to comply with Vietnamese law, and thus the City of San Francisco's Ordinance, Dong Thanh should review its production scheduling to ensure that workers were not allowed to perform overtime in excess of the legal limits.

In 2019, the Vietnamese government revised the country's Labor Code, including the limits on overtime, which were changed to set a maximum limit of 12 hours per week, 40 hours per month and 300 hours per year.¹⁴ A follow-up review of Dong Thanh's payroll records for the period from November 2021 through January 2022 showed that workers were not working beyond the new monthly legal maximum.

2025 findings and recommendations

The WRC's most recent review of the factory's time records, in 2025, found that most workers performed 34 to 39.5 hours of overtime per month. At the upper end, this is barely within the monthly legal limit, and, if sustained for more than eight months in a single year, would well exceed the annual limit. Therefore, the company remains at risk of violating the law going forward. The WRC reaffirms its recommendation that the factory take measures to limit overtime work to ensure that it does not exceed the annual legal maximum.

2. Failure to Provide Short Rest Breaks

Previous findings and recommendations

Vietnamese law requires employers to provide at least two short rest breaks per day,¹⁵ in addition to a longer meal break. The law states that the timing and duration of these rest breaks should be stipulated in the factory's internal work rules, and the breaks must be paid. Most of the factories in Vietnam whose labor practices the WRC has assessed comply with this requirement by providing employees two five-minute rest breaks, one of which is in the morning and the other of which is in the afternoon.

At the time of the WRC's original assessment of the factory in 2019, the workers at Dong Thanh whom the WRC interviewed reported that they were not given any such short breaks. The WRC recommended that, to comply with Vietnamese law and thus the City of San Francisco's Ordinance, Dong Thanh should introduce a practice of granting employees at least two daily short rest breaks of at least five-minute durations.

¹⁴ Labor Code (revised 2019), Article 107 (2b) ("The number of overtime working hours of the employee does not exceed 50% of the normal working hours in 01 day; in case of weekly work, the total normal working hours plus overtime working hours shall not exceed 12 hours in 01 day, and 40 hours in 01 month; c) The total overtime working hours do not exceed 200 hours in 01 year, except for the cases specified in Clause 3 of this Article.") and Article 107 (3a) ("An employer must not request an employee to work overtime exceeding 300 hours in 01 year in the following fields, works, jobs and cases: a) Manufacture, processing of textile, garment, footwear, electric, electronic products, processing of agricultural, forestry, aquaculture products, salt production").

¹⁵ Labor Code, Article 108 (3) ("In addition to the rest break prescribed in Clause 1 and Clause 2 of this Article, an employer shall determine other short breaks, as stipulated in the internal work regulations.").

In addition, the WRC recommended that Dong Thanh provide compensation to workers for the statutory rest breaks which they had not been provided. As employees performed work in lieu of receiving these breaks, this compensation should be in the form of wages calculated at the premium overtime rates.

Following engagement with the WRC, Dong Thanh announced a new rest break policy in 2020, which established daily short breaks from 9:30 a.m. to 9:45 a.m. and again from 2:30 p.m. to 2:45 p.m.

2025 findings and recommendations

The WRC's reassessment of the factory in 2025 found that Dong Thanh had maintained this break policy and that most workers were taking the break, with some doing stretching exercises. However, the WRC found that other employees were cleaning their workstations or sweeping the floor during these break times, and two sewing lines—Lines 7 and 8—continued to work.

The WRC reiterates the recommendation that Dong Thanh should ensure that all employees take the two daily short rest breaks provided by the company's updated policy that are required under Vietnamese law. In addition, the WRC reaffirms that Dong Thanh should compensate workers for the statutory afternoon rest breaks which they did not receive prior to the factory's revision of their work schedule in September 2020 as well as for any breaks they have not taken since.

B. Wages and Benefits

Previous findings and recommendations

In Vietnam, the applicable legal minimum wage varies depending on the designated Economic Region in which the workplace is located.¹⁶ Dong Thanh is located in the Sơn Tịnh District of the Quảng Ngãi province, which is part of Economic Region III.

In addition, Vietnamese law requires that the wage rates employers pay must include a seven percent premium over the minimum wage for skilled workers;¹⁷ and an additional five percent wage premium for hazardous work.¹⁸ Vietnamese law has classified operating industrial sewing machines as work that is both “skilled” and “hazardous”,¹⁹ which means that the minimum legal wage for sewing operators at Dong Thanh is 12 percent above the regional minimum wage.

¹⁶ Labor Code, Article 91; Decree 157/2018/NĐ-CP; and Circular 33/2013/TT-BLĐTBXH.

¹⁷ Decree 49/2013/ND-CP, Article 7(3b) (“The lowest wage level of the work or title requiring labourers to have to be received vocational training (including labourers trained by enterprises themselves) must be at least 7 percent higher than the region-based minimum wage levels prescribed by the Government.”).

¹⁸ Decree 49/2013/ND-CP, Article 7(3c) (“The wage level of work or title with the heavy, hazardous and dangerous labour conditions must be at least 5 percent higher; work or title with the special heavy, hazardous and dangerous labour conditions must be at least 7 percent higher than the wage level of work or title having the equivalent complexity but working in normal labour conditions”).

¹⁹ Nguyen Hong Ha et al, *Guide to Vietnamese Labor Law for the Garment Industry* (International Labor Organization and International Finance Corporation, 7th ed, (2019).

The WRC's original assessment of Dong Thanh's company wage scale states, and a review of workers' contracts in 2019 confirmed, that the starting monthly wage slightly exceeded the legal minimum at that time. The WRC confirmed these wage figures through interviews with factory workers.

While the factory's wage practices were consistent with and, indeed, went beyond the requirements of Vietnamese labor laws and regulations, as discussed below, the WRC did identify certain other wage practices at the factory that failed to comply with the law, the Cities' Ordinances, and/or the code of conduct of Dong Thanh's buyer, 5.11 Tactical. These were: (1) failure to pay wages that meet the City of San Francisco's Ordinance's non-poverty wage standard; (2) punitive deductions from workers' wages that are unlawful; (3) a childcare allowance that violated 5.11 Tactical's code of conduct; and (4) inadequate payroll records.

The WRC's reassessment of the factory in 2022 found that Dong Thanh had increased the amounts of some of the monthly allowances and bonuses that it provides employees to supplement their wages. The factory had increased the housing allowance it pays workers from VND 200,000 (US\$8.65) to VND 300,000 (US\$12.97) and raised the food allowance employees receive from VND 200,000 (US\$8.65) to VND 300,000 (US\$12.97).

More significantly, Dong Thanh had more than doubled the attendance bonus it pays workers from VND 300,000 (US\$12.97) per month to VND 800,000 (US\$34.59) per month. Equally important, as discussed below, the factory had changed its policy so that provision of this bonus was no longer contingent on workers having perfect attendance for the full month, but now it was paid on a pro rata basis for each day that the employee was at work.

In July 2024, the monthly base legal minimum wage in Vietnam Economic Region III was set at VND 3,860,000 (US\$151.52).²⁰ In addition, as already noted, since, under Vietnamese law, operating industrial sewing machines is classified as work that is "skilled" and "hazardous",²¹ sewing machine operators at Dong Thanh are required to be paid at a rate 12 percent above the regional minimum wage, or VND 4,323,200 (US\$169.70) per month.

2025 findings and recommendations

The WRC's reassessment of the factory in 2025 found that Dong Thanh's current company wage scale, set in 2024, states that the starting monthly wage at the company is VND 4,053,000 (US\$155.14), which is five percent above the legal minimum wage (not including the premiums for skilled and hazardous work). According to the company's pay documents, 58 workers, or approximately 25 percent of the workforce, received this minimum wage, with all other workers receiving a wage above this level. A review of factory payroll records conducted by the WRC in 2025 confirmed that all workers at the facility received a monthly wage that was either at or above VND 4,053,000 (US\$159.10).

²⁰ The exchange rate used for 2025 in this report is US\$1 = VND 25,475 as per February 24, 2025.

²¹ Nguyen Hong Ha et al, *Guide to Vietnamese Labor Law for the Garment Industry* (International Labor Organization and International Finance Corporation, 7th ed, (2019).

Dong Thanh's wage scale, which it is required by law to maintain,²² has eight steps for production workers, with a five percent incremental difference between each of its levels. However, the wage scale does not stipulate a timeline for when workers move up the scale, and the WRC found that, despite many workers having more than two decades of seniority at the factory, only a handful of production workers have moved beyond step three of the scale.

In addition, payroll records showed, and interviews with workers confirmed, that Dong Thanh continues to provide employees with several monthly allowances to supplement their wages. These included a transportation allowance of VND 300,000 (US\$11.78), a housing allowance of VND 300,000 (US\$11.78), and a food allowance of VND 300,000 (US\$11.78).

Employees who were not absent from the factory on any workdays during the preceding month also continued to receive a bonus for perfect attendance of VND 800,000 (US\$31.40). In addition, Dong Thanh provides a productivity bonus of VND 600,000 (US\$23.55), which a review of the payroll confirmed that almost all workers received.

Moreover, as discussed below, Dong Thanh also provides women workers with children between one and six years of age with a childcare allowance of VND 50,000 (US\$1.96) per month. However, it should be noted that this amount is substandard among Vietnamese garment factories. The WRC confirmed, through interviews with workers, as well as review of the company's payroll records, the payment to employees of this allowance.

Finally, as is customary for employers in Vietnam, the factory typically provides workers with an annual bonus for the Tết (lunar new year) holiday that is equal to one month's base wages exclusive of allowances or bonuses.

While the wage practices above were, for the most part, consistent with the requirements of Vietnamese labor laws and regulations, as discussed below, the WRC did identify certain wage practices at the factory that failed to comply with the law, the Cities' Ordinances, and/or the code of conduct of Dong Thanh's buyer, 5.11 Tactical. These were: (1) Failure to pay workers the legally required wage premium for skilled work; (2) Failure to pay wages that meet the City of San Francisco's Ordinance's non-poverty wage standard; (3) Failure to timely enroll all workers in social security; (4) inadequate payroll records; (5) substandard childcare allowance; and (6) the elimination of the factory's prior practice of taking unlawful punitive deductions from workers' wages. The WRC also notes, and discusses in detail below, a significant improvement in the factory's pay practices which has been maintained to the present.

1. Failure to Pay Workers Legally Required Wage Premium for Skilled Work

As noted above, in July 2024, the monthly base minimum wage in Economic Region III was set at VND 3,860,000 (US\$151.52).²³ However, this wage rate is only applicable to unskilled workers in non-hazardous environments. Vietnamese law classifies work in the garment industry as hazardous, with the result that all workers, regardless of their skill level, must be paid at least five percent above the regional minimum wage, or VND 4,053,000 (US\$155.14).

²² Labor Code, Article 93.

²³ The exchange rate used for 2025 in this report is US\$1 = VND 25,475 as per February 24, 2025.

Dong Thanh's company wage scale of 2024 states that the starting monthly wage at the company is VND 4,053,000 (US\$155.14), which is five percent above the legal minimum for all workers. A review of factory payroll records conducted by the WRC in 2025 showed that all workers at the facility were paid at least this wage, but 58 workers, or approximately 25 percent of the workforce, were paid a wage that was *no more* than this amount.

Vietnamese law states, however, that employers must also pay skilled workers a seven percent premium over the minimum wage.²⁴ Vietnamese law has classified operating industrial sewing machines as work that is skilled,²⁵ with the result that the minimum legal wage for sewing operators at Dong Thanh must be 12 percent above the regional minimum wage, or VND 4,323,200 (US\$169.70) per month. However, as the factory salary scale for sewers and other skilled workers starts at only VND 4,053,000 (US\$155.14), Dong Thanh is in violation of Vietnamese law.

The WRC recommends that Dong Thanh take the following corrective action to ensure compliance with the law:

- Revise the factory's salary scale to include a seven percent increase for all skilled workers; and
- Provide compensation for the factory's prior failure to pay the premium for skilled work to all workers who qualify for it, up to the statutory limit.

2. Failure to Meet the City of San Francisco's Ordinance's Non-Poverty Wage Standard

Previous findings and recommendations

The WRC's original assessment of the factory in 2019 found that the average wages Dong Thanh employees receive for their regular working hours, while compliant with Vietnam's legal *minimum* wage, still fell short of the minimum *non-poverty* wage rate that the factory was required to pay workers under the City of San Francisco's Ordinance. In 2019, San Francisco had set its minimum non-poverty wage rate for Vietnam at US\$1.10 per hour, excluding benefits, and at US\$1.32 per hour, including healthcare and retirement benefits.²⁶

As discussed above, the WRC in 2019 found, based on a review of the company's payroll records and workers' reported monthly wages, that the starting wage at the factory at the time was VND 3,652,000 (US\$161.26) per month. In addition to this amount, as noted, workers were paid a transportation allowance of VND 300,000 (US\$13.25), a housing allowance of VND 200,000 (US\$8.83), and a food allowance of VND 200,000 (US\$8.83), which, since their receipt

²⁴ Decree 49/2013/ND-CP, Article 7(3b) ("The lowest wage level of the work or title requiring labourers to have to be received vocational training (including labourers trained by enterprises themselves) must be at least 7 percent higher than the region-based minimum wage levels prescribed by the Government.").

²⁵ Nguyen Hong Ha et al., *Guide to Vietnamese Labor Law for the Garment Industry* (International Labor Organization and International Finance Corporation, 7th ed, (2019).

²⁶ City of San Francisco Office of Labor Standards Enforcement, "Sweatfree Contracting Ordinance (Administrative Code Chapter 12U): 2019 International Wage and Benefit Rates".

was not contingent on the worker having perfect attendance, fulfilling production quotas, or being a mother to a young child, all could be considered part of the factory's minimum wage.

As a result, the WRC found that, for the purpose of determining compliance with the non-poverty wage standard, applicable monthly minimum wages at Dong Thanh were VND 4,352,000 (US\$192.18) per month, or VND 4,656,000 (US\$205.60) per month if one included the annual Tết bonus, which did not include compensation that was paid on a contingent basis, such as the factory's attendance-based and production-based bonuses. These figures were the equivalent of US\$0.92 and US\$1.00 per hour, respectively,²⁷ or 84 or 90 percent of San Francisco's non-benefitted non-poverty wage in 2019.

Including the bonuses that were available to most workers, but were paid on a contingent basis—such as monthly bonuses for perfect attendance (VND 300,000 (US\$13.25)) and fulfilling production quotas (VND 140,000 (US\$6.04)), but not the childcare allowance that is only paid to mothers of young children—increased these figures to VND 4,792,000 (US\$211.60) per month, or VND 5,096,000 (US\$225.03) per month including the Tết bonus. These figures were the equivalent of US\$1.01 and US\$1.09 per hour, respectively,²⁸ or 92 percent and 99 percent of the City's non-benefitted non-poverty wage. As a result, even if one calculated the wages of workers at Dong Thanh by including monthly compensation that was not actually guaranteed to employees (as its receipt was contingent on the employees' attendance and productivity), workers' pay still fell short of the City's non-poverty wage standard at the time.

Under the City of San Francisco's Ordinance, an employer can also comply with the non-poverty wage requirement by paying a base wage and providing healthcare and retirement benefits whose total value is 20 percent higher than the non-benefitted non-poverty wage, which, for Vietnam, was US\$1.32 per hour in 2019. In Vietnam, healthcare and retirement benefits are provided to employees through state-run social insurance and health insurance programs. Employers' mandatory contributions to these programs total 20.5 percent of workers' wages.²⁹ As a result, even if one includes both the value of these employer contributions, and the contingent bonuses discussed above, when calculating workers' wages, the compensation paid to workers at Dong Thanh in 2019 still did not meet the benefitted non-poverty wage standard under the City of San Francisco's Ordinance.³⁰

The WRC recommended at the time that Dong Thanh ensure compliance with the City of San Francisco's non-poverty wage requirement by increasing workers' base monthly wages, inclusive of monthly allowances and the customary annual bonus, but exclusive of contingent bonuses and childcare allowance, by amounts sufficient to provide a minimum pay rate that

²⁷ VND 4,352,000 x 12 months/313 working days = VND 166,850 per day. 166,850/8 hours = VND 20,856 per hour (US\$0.92 per hour). VND 4,352,000 x 13 months/313 working days = VND 180,754 per day. 180,754/8 hours = VND 22,594 per hour (US\$0.97 per hour).

²⁸ VND 4,792,000 x 12 months/313 working days = VND 183,718 per day. 183,718/8 hours = VND 22,964 per hour (US\$1.01 per hour). VND 4,792,000 x 13 months/313 working days = VND 199,028 per day. 199,028/8 hours = VND 24,878 per hour (US\$1.09 per hour).

²⁹ Nguyen Hong Ha, et al., eds., *Guide to Vietnamese Labor Law for the Garment Industry*, International Labor Organization and International Finance Corporation, (5th ed. 2017), 32.

³⁰ 82 percent x 120.5 percent = 98.8 percent < 120 percent; 88 percent x 120.5 percent = 106 percent < 120 percent; 90 percent x 120.5 percent + 108 percent < 120 percent; 97 percent x 120 percent = 116.4 percent < 120 percent.

complied with the City of San Francisco's non-benefitted non-poverty wage standard for Vietnam.

In 2022, the WRC confirmed that, after engagement between the factory and the WRC, Dong Thanh made changes in its compensation policy, most notably to pay workers the monthly attendance bonus on a prorated basis, so that deductions are taken from the bonuses only in proportion to the number of days during the month when the worker is absent without permission (i.e., without taking statutory leave). As this made receiving the attendance bonus no longer contingent on perfect attendance, the WRC found that it was reasonable to consider this bonus as a guaranteed element of workers' monthly wages.

In 2021, the City of San Francisco increased its minimum non-poverty wage rate for Vietnam to US\$1.15 per hour excluding benefits and at US\$1.38 per hour including healthcare and retirement benefits.³¹ The WRC found in 2022, based on a review of the company's payroll records and workers' reported monthly wages, that the starting wage at the factory was now VND 3,854,000 (US\$166.65) per month. In addition, as noted, workers were paid a transportation allowance of VND 300,000 (US\$12.97), a housing allowance of VND 300,000 (US\$12.97), and a food allowance of VND 300,000 (US\$12.97), which, since their receipt is not contingent on the worker having perfect attendance, fulfilling production quotas, or being a mother to a young child, could be considered as components of the factory's minimum wage. In addition, since the factory changed its policies to make payment of its attendance bonus no longer contingent on a worker having perfect attendance for the entire month, the attendance bonus of VND 800,000 (US\$34.59) could now also be considered as a component of the factory's minimum wage.

As a result, the WRC found that, for the purpose of determining compliance with San Francisco's non-poverty wage standard, applicable monthly minimum wages at Dong Thanh are VND 5,554,000 (US\$240.16) per month, or VND 6,016,833 (US\$260.18) per month if one includes the annual Tết bonus (but not including contingent production-based bonuses). These figures are the equivalent of US\$1.15 and US\$1.25 per hour, respectively,³² or 100 percent and 108 percent of the City's non-benefitted non-poverty wage at current exchange rate.³³ Therefore, in 2022, Dong Thanh was in compliance with San Francisco's non-benefitted non-poverty wage standard.

2025 findings and recommendations

Between 2021 and 2025, the City of San Francisco increased its minimum non-poverty wage rate for Vietnam by more than 92 percent, to US\$2.21 per hour excluding benefits and at US\$2.65

³¹ City of San Francisco Office of Labor Standards Enforcement, "Sweatfree Contracting Ordinance (Administrative Code Chapter 12U): 2019 International Wage and Benefit Rates".

³² VND 5,554,000 x 12 months/313 working days = VND 212,933 per day. 212,933/8 hours = VND 26,616 per hour (US\$1.15 per hour). VND 6,016,833 x 12 months/313 working days = VND 230,677 per day. 230,677/8 hours = VND 28,835 per hour (US\$1.25 per hour).

³³ For this calculation, the 2022 exchange rate as of VND 23,126 per US\$1 is used, while for other calculations the rate used in the previous report of VND 22,646 per US\$1 is applied.

per hour including healthcare and retirement benefits.³⁴ The WRC found in 2025, based on a review of the company's payroll records and workers' reported monthly wages, that the starting wage at Dong Thanh is now VND 4,053,000 (US\$159.10) per month.

In addition, as noted, workers are still paid a transportation allowance of VND 300,000 (US\$11.78), a housing allowance of VND 300,000 (US\$11.78), and a food allowance of VND 300,000 (US\$11.78), which, since their receipt is not contingent on the worker having perfect attendance, fulfilling production quotas, or being a mother to a young child, can be considered as components of the factory's minimum wage. Finally, since the factory has changed its policies to make payment of its attendance bonus no longer contingent on a worker having perfect attendance for the entire month, the attendance bonus of VND 800,000 (US\$31.40) can still also be considered as a component of the factory's minimum wage.

As a result, the WRC found that, for the purpose of determining compliance with San Francisco's non-poverty wage standard, applicable monthly minimum wages at Dong Thanh are VND 5,753,000 (US\$225.83) per month, or VND 6,090,750 (US\$239.09) per month if one includes the annual Tết bonus (but not including contingent production-based bonuses). These figures are the equivalent of US\$1.08 and US\$1.15 per hour, respectively,³⁵ or just 48 percent and 52 percent of the City of San Francisco's current non-benefitted non-poverty wage of \$2.21 per hour at current exchange rate.³⁶

Therefore, based on current wage data and factory policies, Dong Thanh is now not in compliance with San Francisco's non-benefitted non-poverty wage standard. In fact, Dong Thanh is now far from fulfilling this requirement. Even if the productivity bonus of VND 600,000, which is paid on a contingent basis, is included in the calculation, this would only add US\$0.11 to workers' minimum hourly wage, which would only bring workers' pay to 54 to 57 percent of the current non-poverty wage standard.

The WRC found that there are several factors responsible for this return to noncompliance. First, as noted, the non-poverty wage standard for Vietnam has been increased by 92 percent over the past four years. Second, since the onset of the Covid-19 pandemic, the Vietnamese government has failed to increase the minimum wage in step with the significant inflation the country has experienced during this period. Third, as detailed below, Dong Thanh has ceased its prior practice of providing workers the legally required seven percent adjustment to their wages for performing skilled work.

The WRC recommends that Dong Thanh ensure compliance with the City of San Francisco's non-poverty wage requirement by increasing workers' base monthly wages, inclusive of monthly

³⁴ City of San Francisco Office of Labor Standards Enforcement, "Sweatfree Contracting Ordinance (Administrative Code Chapter 12U): 2025 International Wage and Benefit Rates," https://media.api.sf.gov/documents/2025_Sweatfree_Wage_Rates.pdf.

³⁵ VND 5,753,000 x 12 months/313 working days = VND 220,562 per day. 220,562/8 hours = VND 27,570 per hour (US\$1.08 per hour). VND 6,090,750 x 12 months/313 working days = VND 233,511 per day. 233,511/8 hours = VND 29,189 per hour (US\$1.15 per hour).

³⁶ For this calculation, the exchange rate as of February 24 of VND 25,475 is used, while for calculations for findings in 2022 VND 23,126 per US\$1 is used, while for other calculations the rate used in the initial report of VND 22,646 per US\$1 is applied.

allowances and the customary annual bonus, but exclusive of contingent bonuses and childcare allowance, by amounts sufficient to provide a minimum pay rate that complies with the City of San Francisco's non-benefitted non-poverty wage standard for Vietnam. The WRC recommends that, should payment of the non-poverty wage not be financially feasible for the factory, 5.11 Tactical, Galls, and Banner assist Dong Thanh in complying with this standard.

3. Failure to Timely Enroll Workers in Social Security

2025 findings and recommendations

The WRC found, upon reviewing the factory's payroll documents, that some newly hired workers are not enrolled by the factory in Vietnam's state social security program within thirty days of starting employment as is required by law.³⁷

The WRC recommends that, to ensure compliance with the law, Dong Thanh consistently enroll workers in social security within thirty days of starting employment.

4. Inadequate Payroll Records

Previous findings and recommendations

The City of San Francisco's Ordinance requires that factories supplying to the City of San Francisco and their contractors "maintain basic payroll and time records for each Worker" that include, for each day that an employee works, her rate of pay, the number of hours worked, the actual wages paid, and any deductions.³⁸ The WRC's original assessment of the factory in 2019 found that payroll records for employees in the plant's cutting section, which Dong Thanh presented for review during the WRC's inspection of the factory, did not identify these employees' applicable rates of pay or hours of work.

This lack of transparency was exacerbated by the fact that the company also failed to provide workers with written pay statements. These omissions not only violated the City of San Francisco's Ordinance but also made it difficult for workers and outside assessors to determine whether employees were being paid correctly for all the hours that they have worked.

Following engagement between the company and WRC, Dong Thanh improved its payroll records, which now show employees' regular working hours, overtime hours, bonuses, and allowances. The company also now shows this payroll record to workers when they receive their pay and has them sign a form to acknowledge having seen the record.

2025 findings and recommendations

³⁷ Law on Social Insurance of November 20, 2014, Law 58/2014/QH13 ("Law on Social Insurance"), Article 2 (1) "Employees who are Vietnamese citizens are subject to compulsory social insurance, including: a) Employees working under indefinite-term labor contracts, fixed-term labor contracts, seasonal labor contracts or contracts for a specific job with a term from 03 months to less than 12 months, including labor contracts signed between employers and legal representatives of persons under 15 years of age in accordance with the provisions of labor law; b) Employees working under labor contracts with a term from 01 month to less than 03 months;").

³⁸ Adm. Code., Ch. 12U.3.(d).

The WRC's follow-up assessment of the factory in 2025 found ongoing shortcomings with the company's payroll documents. First, the factory's pay records do not distinguish between workers' basic wages and the productivity incentives they are paid, making it difficult for workers to understand how their wages are calculated. Similarly, the records do not clearly identify the wage rate used to calculate overtime pay. Finally, while the WRC found that Dong Thanh is providing workers with a pay slip—which is a significant improvement over its prior practice—these also do not clearly show the relationship between and relative amounts of workers' basic wages versus their productivity-based pay.

The WRC recommends that Dong Thanh revise its payroll documents and the pay slips it provides to employees to specify the number of regular and overtime hours they have worked, their rates of pay for these hours, and the amounts of the bonuses, including any productivity incentives, included in their wages.

5. Inadequate Childcare Allowance

Previous findings and recommendations

As mentioned above, Vietnamese law requires that employers promote access to childcare for their women employees who have small children, either by assisting and supporting the building of daycare facilities or by covering a portion of their childcare expenses.³⁹ While the WRC in 2019 found that Dong Thanh provided such workers with a childcare allowance, the amount of this allowance was only VND 50,000 (US\$2.21) per month per employee. Compared to the actual expenses incurred by workers for childcare, this is not a substantial contribution.

The childcare allowances that garment factories in Vietnam provide to their workers to comply with this legal mandate vary in amount; however, among factories in Vietnam that the WRC inspected between 2015 and 2019, the average childcare allowance factories provided to workers was roughly VND 100,000 (US\$4.42), double the amount that Dong Thanh provided for this allowance. While failing to provide a childcare allowance whose amount is comparable to that paid by other factories did not violate the City of San Francisco's Ordinance, it did contravene the code of conduct of Dong Thanh's buyer (and the City of San Francisco's supplier), 5.11 Tactical, which requires that compensation paid to employers equal or exceed not just the legal minimum wage but the prevailing standards in the industry as well.⁴⁰

The WRC recommended that Dong Thanh ensure that workers are provided statutory childcare allowances at a level equal to or exceeding the industry standard, which, based on the WRC's experience, was no less than VND 100,000 per month. Dong Thanh responded by citing examples of childcare allowances paid by four other garment and textile factories in the area whose amounts were equal to or less than the allowance that it provides to its workers. The WRC urged Dong Thanh to obtain objective data as to currently prevailing practice in the local export

³⁹ Labor Code, Article 154 (4) ("Employers shall assist and support in building day care facilities and kindergartens, or in covering a part of the childcare expenses incurred by female employees.").

⁴⁰ 5.11 Tactical, Vendor Code of Conduct, <https://www.511tactical.com/vendor-code-of-conduct>.

garment manufacturing sector concerning payment of childcare allowances from, for example, the Ministry of Labor or the ILO.

2025 findings and recommendations

During its follow-up assessment in February 2025, the WRC found that Dong Thanh still only provides workers VND 50,000 per month for childcare assistance. In addition to being lower than the industry standard, this amount has also not been increased over the past six years, despite Vietnam having had more than 19 percent inflation in this period.⁴¹ Unless Dong Thanh is able to obtain objective data showing that the allowance it provides meet currently prevailing practice in the local export garment manufacturing sector—such as data from the Ministry of Labor or the ILO—then, to comply with 5.11 Tactical’s code of conduct, Dong Thanh should increase the statutory childcare allowance to no less than VND 100,000 per month.

6. Corrective Action Maintained—Elimination of Punitive Wage Deductions

Previous findings and recommendations

Vietnamese labor law prohibits employers from using wage deductions as a form of discipline or punishment.⁴² In its original assessment of the factory in 2019, the WRC found that Dong Thanh violated this prohibition by penalizing workers for use of statutory sick leave. Workers whom the WRC interviewed related that Dong Thanh’s policy, at the time, was to deduct the entire amount of the worker’s monthly attendance bonus from the worker’s pay if the worker was absent on more than two days during the month, even if the reason for absence was use of statutory sick or family leave (leave to care for an ill child)—and even if this leave had already been approved by the company. The monthly attendance bonus totals VND 300,000 (US\$13.25), or nearly seven percent of workers’ ordinary monthly compensation, so its forfeiture inflicted a significant financial penalty on employees.⁴³

The WRC’s finding in 2019 was that, in such cases, the amount of this deduction was so disproportionate to the employee’s actual absence from work—especially since this deduction was taken even if the absence had been approved by the company and consisted of leave to which the worker had a legal right—it was punitive and disciplinary in nature, which violated the prohibition on such deductions under Vietnamese law.⁴⁴ Moreover, as discussed further below, this forfeiture also imposed an unlawful restriction on workers’ use of statutory leave.

The WRC recommended that Dong Thanh revise its policy and practices concerning provision of the attendance bonus so that the use of statutory sick or family leave did not result in a deduction from or forfeiture of the attendance bonus and communicate this change in policy to all the factory’s workers. The WRC also recommended that Dong Thanh compensate employees for all

⁴¹ Calculations based on data from International Monetary Fund, World Economic Outlook April 2025 Database.

⁴² Labor Code, Article 128: (“Prohibited Actions When Commencing Disciplinary Procedure: ... All forms of financial punishments such as withholding or diminution of salary....”).

⁴³ Including wages and allowances, but not other contingent or occasional bonuses, such as the target bonus and Tết holiday bonus, workers’ monthly compensation, including the attendance bonus equals VND 4,652,000. VND 300,000 / VND 4,652,000 = 6.4 percent.

⁴⁴ Labor Code, Article 128.

attendance bonuses that were deducted from workers' pay on account of the employees' use of statutory sick or family leave.

After the WRC's initial engagement with Dong Thanh, in 2020 the company changed its policy on how the attendance bonus is administered. Specifically, the company calculated the amount that it paid workers as an attendance bonus on a prorated basis according to how many days during the month the worker was in attendance. If for instance a worker takes sick leave for two days, during a month where there are a total of 26 regular working days, the worker will receive 24/26ths (92 percent) of the full attendance bonus. Given these changes in the company's policies, the WRC finds that the company is no longer using the attendance bonus to take punitive deductions from workers' wages.

2025 findings and recommendations

During the follow-up visit to the factory in February 2025, the WRC found that Dong Thanh continues to calculate the amount that it pays workers as an attendance bonus on a prorated basis according to how many days during the month the worker was in attendance, while also not taking any deductions at all from workers' wages if they have taken annual leave. Therefore, the WRC finds that this prior violation continues to be adequately corrected.

C. Paid Statutory Leave

Vietnamese law requires employers to provide sick leave to workers when so directed, in writing, by the worker's physician.⁴⁵ Workers are paid for sick leave through the country's social insurance program.⁴⁶ Employees also have a legal right to take up to 20 days of paid family leave per year to take care of a sick child under the age of three, and up to 15 days of paid family leave annually to care of a sick child between the ages of three and seven.⁴⁷ The country's labor law also requires employers to provide workers in garment and textile factories 14 days of paid annual leave,⁴⁸ plus one additional day for every five years of service.⁴⁹

With respect to providing annual leave, Dong Thanh's practice, at the time of the WRC's original 2019 assessment, was already consistent with the law's requirements. Workers interviewed by the WRC confirmed that employees who have completed fewer than five years of

⁴⁵ Law on Social Insurance of November 20, 2014, Law 58/2014/QH13 ("Law on Social Insurance"), Article 25 (1), available in English translation at: <http://vietnamlawenglish.blogspot.com/2014/11/vietnam-social-insurance-law-2014.html>.

⁴⁶ Law on Social Insurance, Article 25 ("[C]onditions for enjoying the sickness regime: 1. Employees who have to take leave due to sickness or accidents other than labor accidents, with the certification of a competent health establishment under the Ministry of Health's regulations.").

⁴⁷ Law on Social Insurance, Article 27 (1) ("Leave period upon sickness of children. The leave period upon sickness of a child in a year shall be calculated based the number of days of care for the sick child, which must not exceed 20 working days, if the child is under 3 years old, or must not exceed 15 working days, if the child is between full 3 years and under 7 years old.").

⁴⁸ Labor Code, Articles 111 and 112; Decree 45/2013/NĐ-CP, Article 7; Decision 1152/2003/QĐ-BLĐTBXH of the Minister of Labour, War Invalids and Social Affairs ("Decision") (establishing that textile manufacturing is heavy and hazardous work); Decision 1629/1996/QĐ-BLĐTBXH; also Nguyen Hong Ha, et al., eds., *Guide to Vietnamese Labor Law for the Garment Industry*, p. 33.

⁴⁹ Labor Code, Article 112.

service receive payment for 14 days of such leave each year and that workers with five or more years of service receive 15 annual leave days.

However, regarding sick leave and family leave, as already noted above and discussed further below, Dong Thanh's practices at the time, with respect to taking deductions from employees' wages, placed unlawful restrictions on workers' access to these statutory benefits. As discussed below, following engagement with the WRC, the factory ended these restrictions, and, as this update confirms, had continued to maintain its compliance in this area.

Previous findings and recommendations

As noted, workers interviewed by the WRC in 2019 revealed that Dong Thanh deducted their entire attendance bonus of VND 300,000 (US\$13.25) per month if the worker had been absent on more than two days of the preceding month, even if the reason for the absence was use of statutory sick leave or family leave—and even if this leave had already been approved by the company.

As the amount of the attendance bonus that was forfeited—VND 300,000 (US\$13.25)—was substantial for the workers, the deduction of this bonus placed a significant financial penalty on workers accessing leaves that they had a legal right to use for their own health and that of their children. The conditions of the company attendance bonus policy, therefore, placed unlawful restrictions on workers' access to paid sick leave and family leave through the country's social insurance program.⁵⁰

The WRC recommended that Dong Thanh rescind its policies that restricted or reduced workers' eligibility for the company's attendance bonus on account of their using paid leave to which they were legally entitled. The WRC recommended that the company should also compensate workers for any attendance bonuses that previously were forfeited by the employees on account of their having used sick leave or family leave.

In 2020, Dong Thanh made changes in how it administers the attendance bonus, so that the bonus is calculated according to how many days during the month the employee is present at work. As a result, the workers are no longer penalized economically for taking sick leave and Dong Thanh no longer violates workers' rights to take statutory sick and family leave. However, Dong Thanh did not compensate workers for prior deductions taken from their attendance bonus on account of their having taken sick leave.

2025 findings and recommendations

The WRC found in 2025 that Dong Thanh has maintained the changes in how it administers the attendance bonus, so that the bonus is calculated according to how many days during the month the employee is present at work. As a result, the workers are no longer penalized economically for taking sick leave, and Dong Thanh no longer violates workers' rights to take statutory sick and family leave.

⁵⁰ Law on Social Insurance, Articles 25 and 27.

The WRC continues to recommend that Dong Thanh compensate workers for prior punitive deductions taken from their attendance bonuses on account of their having taken statutory sick leave.

D. Freedom of Association and Collective Bargaining: Employer Domination of Factory Labor Union

Although an enterprise-level union has been established at Dong Thanh for a number of years, workers interviewed by the WRC at the time of the original assessment in 2019 described it as serving mainly a social welfare function, including “giving gifts [to employees] during the Tết holiday and provid[ing] a small bonus on [International] Children’s Day [on June 1].”

As discussed below, the union did not represent factory workers’ interests independent of the company’s management in matters such as employee grievances and bargaining over working conditions, due in part to the fact that the union’s leadership was comprised entirely of office personnel and managers, themselves, a situation that constitutes a clear violation of workers’ rights of freedom association.

Previous findings and recommendations

At the level of individual workplaces, many employers in Vietnam restrict freedom of association by dominating and/or influencing the enterprise-level unions inside their factories.⁵¹ Human resource managers are often placed in the unions’ leadership positions, creating a fundamental conflict of interest on the part of the union and an insurmountable bar to unions adequately and independently representing workers’ interests and acting to correct violations of the labor laws.⁵²

In 2019, the WRC found that of the seven members of the governing committee of Dong Thanh’s union, at least three, including the union president, were managers, with the remainder being office staff from the human resources, shipping, and accounting sections. None of the union committee members were production employees.

Having unions led by officials who are members of, or otherwise aligned with, the company management, as has been the case with the union at Dong Thanh, constitutes a clear violation of the right to freedom of association, whose observance, as established under ILO Convention 98, requires that “[w]orkers’ and employers’ organisations shall enjoy adequate protection against

⁵¹ “It is common for human resource managers to be the union president in F[oreign] I[nvested] E[nterprises]...” Bernadine Van Gramberg, Julian Teicher, and Tien Nguyen, “Industrial Disputes in Vietnam: The Tale of the Wildcat,” *Asia Pacific Journal of Human Resources* 51, no. 2 (January 18, 2013), <https://onlinelibrary.wiley.com/doi/10.1111/j.1744-7941.2012.00062.x>.

⁵² Finding that “human resource managers [serving as] union president” at the same time that the union “is charged with monitoring breaches of the [Labor] Code” create “conflict [between] union leaders’ managerial interest in the success of the company and their capacity to engage in critical scrutiny of enterprise operations...” Van Gramberg, Teicher, and Nguyen, “Industrial Disputes.”

any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.”⁵³

The WRC recommended Dong Thanh should ensure that the factory's production workers have the opportunity to nominate and elect the union's leadership and that no managers or supervisors play any role in the union independently and democratically. Dong Thanh responded by acknowledging that having a union committee that did not include production employees was a “mistake” and stating that the company had accordingly “reorganized the union”.

The factory management sent the WRC a document that indicated that managers had been removed from the union committee and that employees from the factory's production sections had been added to it, instead. A review of company records in January 2022 showed that at least six of the union committee's 10 members were regular production workers.

Removal of the managers from the union committee is an important remedial action. Full respect for employees' right to freedom of association, however, requires that workers be permitted to democratically select their own representatives. The production workers on the union committee appear to have been selected by the management rather than by the employees, indicating that, in this regard, workers' associational rights are still not fully respected at the factory. The WRC recommended that the management facilitate the workers holding democratic elections for the union committee.

2025 findings and recommendations

In 2025, the WRC interviewed five members of the executive committee of Dong Thanh's union. Regrettably, the top leadership of the union again was dominated by management, with the top three positions in the union all held by either managers or office staff, the same individuals whom the WRC had identified as holding these positions in 2019 and whom the factory had previously removed from these positions upon the WRC's recommendations.

As noted before, the presence of these factory managers within the union leadership creates a clear conflict-of-interest, since these managers are unable to independently represent the interests of the workers where these differ from those of the management. Having unions led by officials who are members of, or aligned with, the company management, while not contrary to the laws of Vietnam, constitutes a clear violation, under international labor standards, of the right to freedom of association.⁵⁴

The WRC also found that the factory's current collective bargaining agreement (CBA), which was signed on March 20, 2024, offers very few benefits for employees above the minimum

⁵³ ILO Convention 98 (Right to Organise and Collective Bargaining Convention, 1949) Article 2(1), (2) (“Acts which are designed to promote the establishment of workers' organisations under the domination of employers or employers' organisations . . . with the object of placing such organisations under the control of employers or employers' organisations, shall be deemed to constitute acts of interference within the meaning of this Article”).

⁵⁴ ILO Convention 98 (Right to Organise and Collective Bargaining Convention, 1949) Article 2(1), (2) (“Acts which are designed to promote the establishment of workers' organisations under the domination of employers or employers' organisations . . . with the object of placing such organisations under the control of employers or employers' organisations, shall be deemed to constitute acts of interference within the meaning of this Article”).

requirements of the Vietnamese Labor Code. This is an indication that no genuine collective bargaining has taken place between the union and the company.⁵⁵

The WRC recommends that Dong Thanh should immediately ensure that there are no employees holding managerial or office posts in the union leadership; that the factory's production workers can independently and democratically nominate and elect the union's leadership; and that no managers, office staff or supervisors play any role in the union.

E. Occupational Health and Safety

The WRC's original assessment of Dong Thanh in 2019 included a walkthrough of the facility's interior and exterior; a review of company documents regarding safety and health trainings, prior inspections, accident and 'near-miss' reports; and the minutes of meetings of the factory's health and safety committee. The WRC also interviewed factory employees and supervisors to obtain information on safety and health management practices, procedures, and internal reporting.

The WRC's safety and health assessment of Dong Thanh in 2019 was conducted by a certified industrial hygienist. He identified health and safety hazards in the factory which violated applicable Vietnamese laws and regulations in the following areas: fire safety, personal protective equipment, machine guarding, electrical hazards, ergonomic hazards, respiratory hazards, temperature levels, crushing and pinching hazards, toilets, and noise levels.

The factory provided responses to the WRC's findings, including photographs of corrective actions the factory had taken. The WRC's 2025 reassessment of the factory included an inspection by WRC representatives, who are labor rights experts but not certified safety and health specialists, to confirm whether these corrective actions have been maintained.

⁵⁵ Dong Thanh, "Collective Bargaining Agreement," March 20, 2024, (on file with the WRC),

1. Fire Safety

a. Locked, Lockable, and Obstructed Fire Exits

Previous findings and recommendations

During the WRC's 2019 inspection of Dong Thanh, the exit doors on the perimeter of the factory were unlocked, allowing for emergency egress, although some of the doors were fitted with hasps, which would allow them to be locked. The WRC noted, at approximately 10 minutes prior to the end of the workday, that one of the exit doors (see location circled in red in Figure 1) had been locked with a padlock fitted to a hasp (see Figure 2) in a manner that would have prevented workers from escaping from the factory via that exit in the event of an emergency.

Additionally, the WRC found that, earlier in the day, the same exit door had been fixed in a partially open position, by inserting a metal pin attached to the door into a hole in the concrete flooring, which, in case of emergency, would hinder the ability of employees to rapidly fully open the door to permit workers to exit the factory (see Figure 3).

These potential and actual obstructions to the factory's emergency exits violated Vietnamese workplace safety regulations.⁵⁶

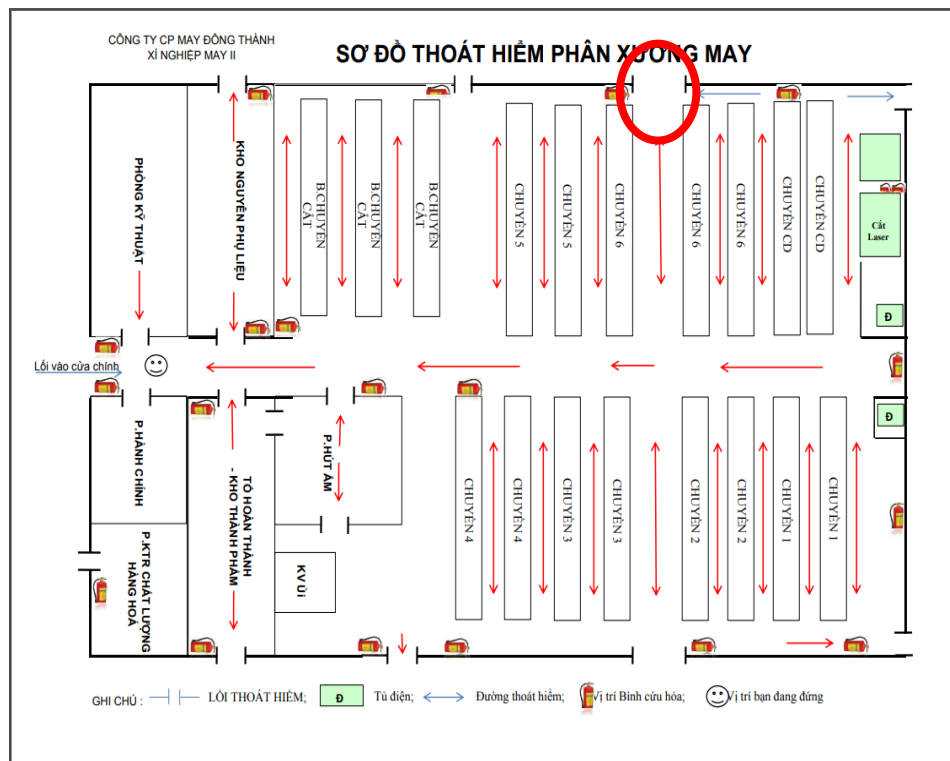


Figure 1: Map of Factory Floor Showing Location of Locked Exit Door



Figure 2: Locked Exit Door



Figure 3: Exit Door 'Pinned' Partially Open

⁵⁶ Decree 167/2013/ND-CP, Article 38, 2 (a) and 5; Circular 07/2010/TT-BXD, Articles 3.2.10, 3.3.1 and 3.3.5.

The WRC recommended that all exits from the factory remain unlocked and unobstructed during working hours, and, moreover, for all doorways that are designated as emergency exits, the factory should remove all lockable hasps and other equipment and install doors equipped with “panic bars” devices that cannot be locked from the inside.

Dong Thanh committed to ensure that all exits remain unlocked and unobstructed during working hours. However, the company still had not removed the lockable hasps or installed doors equipped with “panic bars” devices that cannot be locked from the inside.

2025 Findings and Recommendations

The WRC found that all exits were unlocked and unobstructed during working hours. However, the company was using the same doors fitted with hasps, which would allow them to be locked. The WRC therefore repeats its recommendation that the company install doors equipped with “panic bars” devices that cannot be locked from the inside.

b. Tripping Hazards at Emergency Exits

Previous findings and recommendations

The WRC’s original 2019 assessment found numerous locations at the emergency exits where broken and uneven flooring presented tripping hazards and could cause injury and delay escape in the event of an emergency.

2025 Findings and Recommendations

While the factory corrected the tripping hazards that were previously present, the WRC’s 2025 assessment found several other locations throughout the factory that currently have broken and uneven flooring (see Figures 4–6).



Figures 4, 5, 6: Broken Flooring at Walkways

In addition, the WRC found that near the storage of combustible waste was a hole covered with concrete slabs that were in a state of dilapidation and, as a result, poses a tripping hazard (see Figure 7). The presence of these tripping hazards at the emergency exits violates Vietnamese safety standards.⁵⁷ The WRC recommends that these conditions be repaired and that the factory monitors flooring and stairways for the reappearance of such hazards.

c. Storage of Combustible and Flammable Materials

i. Waste Storage

Previous findings and recommendations

At the time of the WRC's original 2019 inspection of the factory, the area on the premises where cardboard waste was stored was overflowing, suggesting that this waste had accumulated for some time (see Figure 8). The storage of copious amounts of combustible materials in this area posed a serious hazard because it was located next to the factory's hazardous waste storage area. These conditions violated applicable Vietnamese safety standards.⁵⁸

The WRC recommended that the factory relocate its storage of combustible waste material away from its hazardous waste storage and ensure that combustible materials were disposed of regularly and not allowed to accumulate. The factory provided the WRC with photographs showing that it had disposed of the accumulated combustible material and that it had relocated storage for such materials away from the hazardous waste storage area.

2025 Findings and Recommendation

The WRC found that on the side of the hazardous waste room, miscellaneous waste, including easily combustible waste, had again accumulated. The WRC continues to recommend that combustible materials be disposed of regularly and not allowed to accumulate.



Figure 7: Dilapidated Cover Holes



Figure 8: Overflowing Combustible Waste Storage next to Hazardous Waste Storage ("Kho Chứa Rác Thái Nguy Hại") Area.

⁵⁷ Decree 167/2013/ND-CP, Article 38, 2(a) and 5; Circular 07/2010/TT-BXD, Article 3.2.10 of Clause 3.2, 3.3.1, and 3.3.5.

⁵⁸ Law on Fire Prevention and Fire Fighting; Articles 14 and 20; Circular 20/2011/TTBLDTBXH; QCVN 01:2008/BCT, Article 67; Decision 12/2008/QĐ-BCT.

ii. Materials Storage

Previous findings and recommendations

The WRC's original assessment found that the factory stored large quantities of cardboard for packaging finished products inside the factory (see Figure 9). Having large quantities of combustible materials stored within a building that lacks fire sprinklers created a potential fire hazard and violated Vietnamese safety standards.⁵⁹



Figure 9: Excessive Storage of Combustible Packaging

The WRC recommended that the company reduce the amount of combustible materials stored inside the factory to the minimum required for immediate production needs. The factory committed to monitor the quantity of cardboard boxes needed for production purposes to avoid storage of excessive quantities inside the factory.

2025 findings and recommendations

The WRC did not find excessive quantities of cardboard boxes stored inside the factory suggesting that the factory is maintaining its corrective actions in this regard.

d. Obstructed Aisleways

Previous findings and recommendations

The WRC found numerous aisleways in the factory that were obstructed because of storage of fabric, which would hinder employees from exiting these areas quickly in case of an emergency, thereby violating Vietnamese safety standards⁶⁰ (see Figures 10 and 11).



Figure 10: Obstructed Aisleways



Figure 11: Obstructed Aisleways (2019)

⁵⁹ Law on Fire Prevention and Fire Fighting; Articles 14 and 20; Circular 20/2011/TTBLDTBXH; QCVN 01:2008/BCT, Article 67; Decision 12/2008/QĐ-BCT.

⁶⁰ Labor Code, Article 138; Occupational Safety and Health Law (“OSH Law”), Articles 16 (1) and (2).

The WRC recommended that the factory ensure that all boxes and rolls of fabric are stored in a manner that will prevent them from creating obstructions in the aiseways. The factory provided the WRC with photographs showing that the rolls of fabric and boxes had been moved so that they no longer obstructed the aiseways.

2025 findings and recommendations

The WRC found that the aiseways no longer were obstructed, suggesting that these corrective actions have been maintained.

2. Personal Protective Equipment (PPE)

a. Personal Protective Equipment for Maintaining Steam Compressor

Previous findings and recommendations

Dong Thanh operates a steam compressor, which is housed adjacent to the main production facility, to generate steam for pressing finished garments. The company provides employees who perform maintenance on the steam compressor with personal protective equipment (PPE) to shield them from steam burns in the form of protective gloves and safety glasses, which were kept just outside the entrance to the room where the steam compressor is housed (see Figure 12).

However, the safety glasses appeared to have not been removed from their original packaging, suggesting that, at the time, they were not consistently used. Moreover, safety glasses and gloves are inadequate to protect workers against a potential exposure of pressurized hot steam to the face or other portions of the body, with the result that the PPE that Dong Thanh provided did not meet the requirements of Vietnamese safety standards.⁶¹

The WRC recommended that, in addition to ensuring that basic safety procedures were followed (i.e., that employees who perform maintenance on the steam compressor are trained and qualified to do so and that the steam compressor is powered down while maintenance is performed), that



Figure 12: Steam Compressor with Only Safety Glasses and Gloves Provided for PPE

⁶¹ Labour Code, Article 149; OSH Law, Articles 16 (3) and 23; Circular 04/2014/TT-BLDTBXH.

the factory supply and require the use of additional PPE including a face shield, thermal resistant gloves, and an apron.

2025 findings and recommendations

The WRC found that only the face shield and ordinary gloves were placed outside the entrance to the room where the steam compressor is housed, while thermal resistant gloves or aprons still were not being made available. The WRC repeats its recommendations that, in addition to ensuring that basic safety procedures were followed (i.e., that employees who perform maintenance on the steam compressor are trained and qualified to do so and that the steam compressor is powered down while maintenance is performed), that the factory supply and require the use of additional PPE including thermal resistant gloves and an apron.

b. Inadequate Respiratory PPE

Previous findings and recommendations

The factory issues PPE to employees who are exposed to respiratory hazards from machinery. However, the PPE that was issued at the time of the WRC's 2019 inspection consisted of antimicrobial surgical/dust masks that do not protect against airborne chemical vapors or particulates, thereby failing to comply with Vietnamese safety laws⁶² (see Figure 13).



Figure 13: Surgical/Dust Masks Improperly Issued for Chemical Exposure

The WRC recommended that the factory obtain an assessment of the respiratory hazards associated with the use of the factory's various machinery and, where such hazards could not be mitigated through engineering controls, provide appropriate US National Institute of Occupational Safety and Health (NIOSH)-approved respirators. The factory informed the WRC that it would issue employees N95 masks to replace the surgical/dust masks.

2025 findings and recommendations

During the WRC 2025 inspection of the factory the WRC observed that no workers were wearing N95 masks and that many employees were wearing other types of masks, including, in some cases, the same type of surgical mask found during the 2019 inspection. The WRC repeats its recommendation that the factory obtain an assessment of the respiratory hazards associated with the use of the factory's various machinery and, where hazards cannot be mitigated through

⁶² Labour Code, Article 149; OSH Law, Articles 16 (3) and 23; Circular 04/2014/TT-BLDTBXH.

engineering controls, provide appropriate US National Institute of Occupational Safety and Health (NIOSH)-approved respirators.

3. Machine Guarding

a. Unguarded Fan Blades

Previous findings and recommendations

Dong Thanh maintains a ventilation system which draws outside air through the factory's evaporative cooler using an axial fan. While the fan blades are covered with the dampers when the system is powered down, the WRC's 2019 inspection found that when the fan was in operation, the dampers opened and exposed workers to risk of injury, in violation of Vietnamese workplace safety laws.⁶³ The fan blades were unguarded, with the result that an employee could insert their hand into the path of the fan blades potentially resulting in serious injury (see Figure 14).



Figure 14: Unguarded Fan Blades
inside Dampers

The WRC recommended that the factory install adequate guarding, such as a grate between the dampers and the fan blades, to mitigate the risk of workers accidentally contacting the blades. The factory provided photographs showing the installation of grates that cover the dampers, preventing accidental contact with the fan blades.

2025 findings and recommendations

During the physical inspection of the factory in February 2025, the WRC confirmed that the grates over the fans remained installed, which indicated that this corrective action has been maintained.

⁶³ Labour Code, Article 138; OSH Law, Articles 16 (2)-(4).

b. Cutting Machine

Previous findings and recommendations

The WRC found that, in violation of Vietnamese safety standards,⁶⁴ a cutting machine in the factory not only had an unguarded blade but was activated by moving a handle that protruded into an aisleway (see Figure 15). As a result, a person attempting to navigate the aisleway could accidentally activate the cutting blade, exacerbating the risk of injury from the unguarded blade.



Figure 15: Unguarded Cutting Blade

The WRC recommended that the factory reconfigure the handle so as not to protrude into the aisleway and to provide guarding around the cutting blade. The factory provided photographs showing the installation of guarding to prevent accidental contact with the cutting blade. However, the protruding handle has not been reconfigured, so the blade, while now guarded, could still be accidentally activated.

2025 findings and recommendations

During the physical inspection of the factory in February 2025, the WRC found that the company no longer uses this cutting machine, thereby resolving the previous hazard.

c. Grinding Wheel

Previous findings and recommendations

A grinding wheel in the factory violated Vietnamese safety standards,⁶⁵ as it did not have shield protectors, tongue guards, or a tool rest and was not secured to the table where it is used, (see Figure 16) which, in turn, was not bolted to the floor.

The WRC recommended that the grinding wheel be fitted with shield protectors, tongue guards, and a tool rest and be secured to the table where it is used, which should be bolted to the floor. The factory indicated that the grinding wheel in question would be removed from the factory, thereby, removing the hazard.



Figure 16: Unshielded Grinding Wheel

⁶⁴ Labour Code, Article 138; OSH Law, Articles 16 (2)-(4).

⁶⁵ Labour Code, Article 138; OSH Law Articles 16 (2)-(4).

2025 findings and recommendations

The WRC observed that the grinding wheel in question had been removed and had not been reinstalled, so that the prior hazard remains resolved.

e. Sewing Machines

Previous findings and recommendations

The WRC observed in 2019 that while many of the factory's sewing machines had guarding in place, there were several that did not (see Figure 17). The explanation that the company gave for this omission is that the latter used a lower gauge needle, which, they asserted, posed a lower risk of harm. However, even a small needle that unexpectedly breaks could become a projectile and cause severe injury to the eye or face, and, as a result, this lack of guarding violated safety standards.⁶⁶



Figure 17: Lack of Guarding on Sewing Machines

The WRC recommended that the factory ensure all sewing machines are equipped with guarding and, if this is not possible in some cases, provide employees operating those machines with approved safety eyewear. The factory provided photographs showing that it had installed additional guarding on sewing machines.

2025 findings and recommendations

The WRC confirmed that the additional guarding remained installed on the sewing machines, indicating that this hazard continued to be resolved.

4. Electrical Hazards

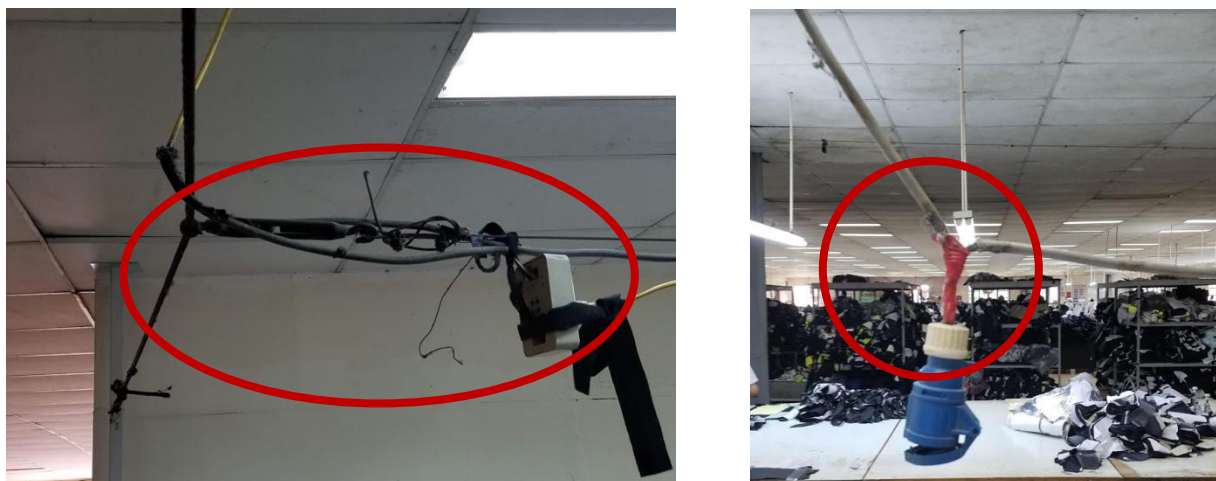
a. Electrical Cords

Previous findings and recommendations

The WRC found in 2019 that Dong Thanh used flexible electrical cords that appeared to have been spliced and, in some cases, were suspended in a manner where, if pulled, pressure would be applied to fittings or terminals, creating risks of electrical shock or fire⁶⁷ (see Figures 18 and 19).

⁶⁶ Labour Code, Article 138; OSH Law Articles 16 (2)-(4).

⁶⁷ Law on Fire Prevention and Fire Fighting, Article 5; Law on Electricity, Article 57; 11 TCN 19-2006; Clause TCXD 394:2007, Articles 3.2 and 4.1; TCVN 9208:2012, Article 4.2.



Figures 18 and 19: Suspended and Spliced Flexible Electrical Cords

The WRC recommended that, if the company were to continue using flexible power cords, the existing cords must be replaced with cords that were un-spliced and, if suspended, equipped with fittings to prevent pressure from being transmitted to fittings and terminals. The factory provided photographs showing that it had installed un-spliced suspended cords which did not appear to apply pressure to their terminals.

2025 findings and recommendations

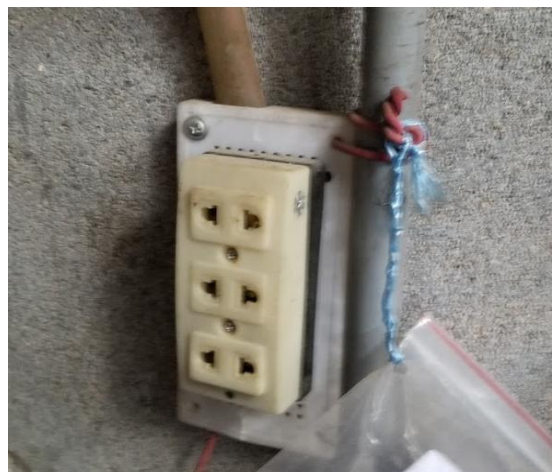
In the 2025 inspection of the factory, the WRC did not find any hanging spliced electrical cords in the facility, indicating that this violation remains remediated.

b. Ungrounded Outlets

Previous findings and recommendations

The WRC found in 2019 that numerous electrical outlets in the factory were ungrounded, creating shock risks for employees, which violated Vietnamese safety standards.⁶⁸ This hazard included, but was not limited to, ungrounded outlets in the room that houses the factory's fire pump room and an electrical outlet that was not protected by a ground fault circuit interrupter (GFCI), which could pose an electrical shock hazard in the event of a water leak from the fire pump's pressurized piping (see Figures 20 and 21).

⁶⁸ Law on Fire Prevention and Fire Fighting, Article 5; Law on Electricity, Article 57; 11 TCN 19-2006; Clause TCXD 394:2007, Articles 3.2 and 4.1; TCVN 9208:2012, Article 4.2.



Figures 20 and 21: Ungrounded Electrical Outlet in Fire Pump Room

The WRC recommended that the factory ensure that a qualified electrician properly ground all outlets and install GFCIs. The factory provided photographs showing the installation of covers on the ungrounded outlets but did not indicate that these outlets had been properly grounded and fitted with GFCIs.

2025 findings and recommendations

The WRC found several ungrounded outlets throughout the factory as well as the canteen. One outlet in the canteen not only was ungrounded but also broken, creating a particular electrical shock hazard (see Figures 22 and 23). The WRC recommends that all ungrounded outlets be replaced with properly grounded GFCI outlets.



Figure 22: Ungrounded Outlet in Production Area



Figure 23: Ungrounded Broken Outlet in Kitchen

5. Ergonomic Hazards

Previous findings and recommendations

The WRC's 2019 inspection found several ergonomic hazards that violated Vietnamese safety standards⁶⁹ by posing risks to employees of musculoskeletal injuries. First, sewing machine operators worked seated on backless wooden benches that lacked any basic ergonomic features, such as back and lumbar support, padded seat pan, height adjustment, and swivel (see Figure 24). Moreover, employees who worked in a standing position on hard tile flooring were not provided with antifatigue floormats (see Figure 25). Finally, the heights of employees' worktables were

⁶⁹ Labor Code, Articles 137, 138 and 148; Joint Circular 01/2011/TTLT-BLDTBXH-BYT.

not adjustable, causing some workers to resort to propping their tables up with bricks, which presented its own safety risks (see Figure 26).



Figure 24: Sewing Machine Operator Working Seated on Wooden Bench



Figure 25: Standing Work without Antifatigue Floormat



Figure 26: Worktable Propped Up on Bricks

The WRC recommended that the factory assess the ergonomic risk factors for all operations with prolonged standing or sitting and modify the work process to reduce the risks of musculoskeletal injury. The WRC also advised that the factory must also provide ergonomic chairs with a suitable backrest, seat, height adjustment, and swivel, as well as antifatigue floormats and height-adjustable workstations.

The factory provided photographs showing it has installed proper bases to replace the bricks that were being used to prop up worktables. However, the factory did not commit to replacing the backless benches used by operators with ergonomic chairs or provide antifatigue floormats or height-adjustable workstations.

2025 findings and recommendations

The WRC found that Dong Thanh continues to have its employees use chairs with ergonomic hazards that violate Vietnamese safety standards,⁷⁰ by posing risks to employees of musculoskeletal injuries. Sewing machine operators worked seated either on backless wooden benches or simple plastic stools, both of which lack any basic ergonomic features, such as back and lumbar support, padded seat pan, height adjustment, and swivel (see Figures 27 and 28).



Figures 27 and 28: Plastic Stools for Machine Operators

⁷⁰ Labor Code, Articles 137, 138 and 148; Joint Circular 01/2011/TTLT-BLDTBXH-BYT.

However, the WRC found that employees who worked in a standing position on hard tile flooring were now provided with antifatigue floormats, although for some workers, the size of the mat was small.

The WRC continues to recommend that the factory must also provide ergonomic chairs with a suitable backrest, seat, height adjustment, and swivel, as well as antifatigue floormats and height-adjustable workstations. Dong Thanh should also ensure that the size of the anti-fatigue mats are large enough to allow the workers to shift their positions while remaining standing on the mats.

6. Excessive Temperature Levels

Previous findings and recommendations

Both the WRC's 2019 inspection of Dong Thanh and the most recent survey of the factory by local health authorities that Dong Thanh had on file at the time, which was conducted in 2018, found that temperatures in the factory at those times were below the applicable legal maximum of 32°C (89.6°F).⁷¹ However, October and November are among the cooler months of the year in Vietnam, so it was unclear whether the factory complies with this limit during hotter months.

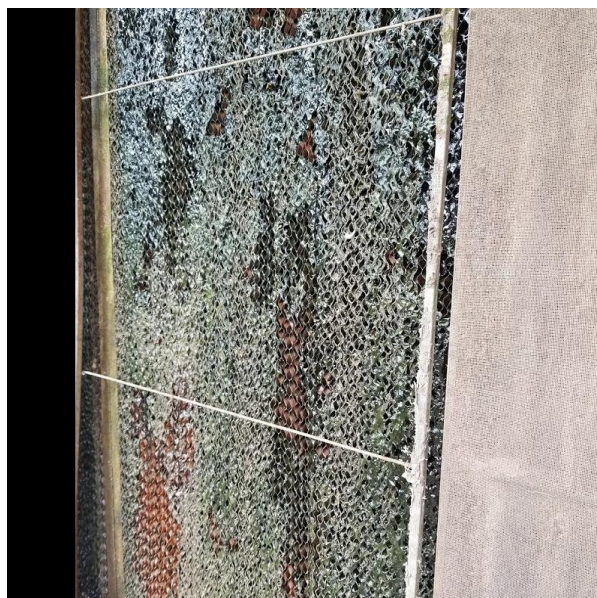


Figure 29: Biological Growth on Cooling Pad System

Although the factory is equipped with an evaporative cooling system, these systems are of limited effectiveness in humid climates like that of Vietnam, because they lower temperatures by increasing relative humidity, thereby failing to improve comfort levels in climates where humidity is already elevated.

Moreover, the WRC observed that the factory was failing to properly maintain the evaporative cooling system which, itself, created health risks for employees. Specifically, the evaporative cooler had a significant visible biological growth on its surface creating a risk of airborne transmission of microbial contaminants that could cause potentially serious respiratory illness, thereby violating basic workplace health standards⁷² (see Figure 29).

The WRC recommended that the company maintain and/or replace the evaporative cooling pads to prevent microbial contamination. The WRC also advised that the factory should measure indoor temperatures at the facility in the hotter summer months to ensure that they are below the legal maximum and, if not, should install additional engineering controls to lower them.

⁷¹ Labour Code, Article 138; OSH Law, Article 16; Decision 3733/2002/QĐ-BYT, Section 7.

⁷² Labor Code, Article 5 (1)(b)., Ministry of Health, Labour Hygiene Standards (Oct. 10, 2012).

The factory provided photographs showing that the evaporative cooling pads had been cleaned and stated that such cleaning would be conducted on a weekly basis going forward. The factory agreed to keep a record of temperatures during the summer months to monitor whether heat levels exceed legal maximums.

2025 findings and recommendations

On the day of the WRC's 2025 inspection of Dong Thanh, the outside temperature was 24.1°C (75.4°F) and rainy. Given the relatively cool outside temperatures, the WRC did not find any temperatures in excess of the legal limit, with the hottest area being the ironing division at 26.1°C (79°F).

However, the most recent survey of the factory by local health authorities that Dong Thanh had on file at the time,⁷³ which was conducted in June 2023, found temperature levels in the factory that exceeded the applicable legal maximum of 32°C (89.6°F).⁷⁴ In addition the survey found relative humidity levels in excess of legal standards.

These readings included an instance with a temperature level of 32.7°C (90.9°F)—which is above the legal maximum—and a relative humidity level of 82.5 percent. This combination results in a heat index of 48°C (118.8°F), which represents a serious risk to workers' health.⁷⁵

In addition, the WRC observed that the factory continued to fail to properly maintain the evaporative cooling system which creates further health risks for employees. Specifically, the evaporative cooler still had a significant visible biological growth on its surface creating a risk of airborne transmission of microbial contaminants that could cause potentially serious respiratory illness, thereby violating basic workplace health standards (see Figure 30).⁷⁶

The WRC continues to recommend that the company maintain and/or replace the evaporative cooling pads to prevent microbial contamination. The WRC also advises that the factory should measure indoor temperatures at the facility in the hotter summer months to ensure that they are below the legal maximum and, if not, should install additional engineering controls to lower them.

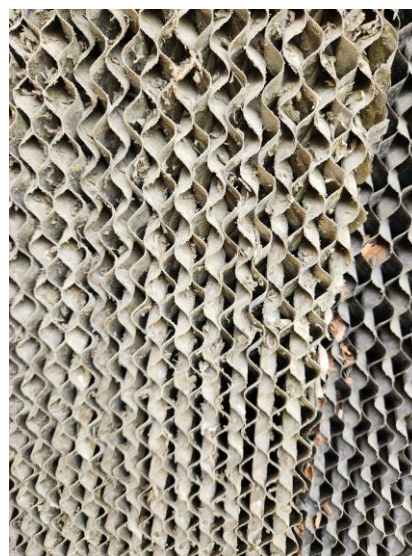


Figure 30: Biological Growth on Cooling Pad

⁷³ Quảng Ngãi Province Center for Disease Control, “Dong Thanh: Working Environment Report,” June 2023 (on file with the WRC).

⁷⁴ Ministry of Health Decision 3733/2002/QĐ-BYT, Promulgating 21 Labour Hygiene Standards, 05 Principles and 07 Labour Hygiene Measurements, Section VII, Article 4 (1).

⁷⁵ U.S. National Weather Services, National Oceanic and Atmospheric Administration, “Heat Index Chart,” <https://www.weather.gov/ffc/hichart>.

⁷⁶ Labor Code, Article 5 (1)(b)., Ministry of Health, Labour Hygiene Standards (Oct. 10, 2012).

7. Crushing and Pinching Hazards

a. Evaporative Cooling Pad System Sump Cover

Previous findings and recommendations

The WRC found in 2019 that the sump for the factory's evaporative cooling pad system was covered with a large, heavy concrete slab that was usually left open, propped against the side of the cooling pad housing (see Figure 31). The weight of the slab and the precariousness of this positioning (along with the fact that, due to the hot climate and/or their low wages, many employees wear minimally protective footwear) created a risk of a serious crushing injury should the covering fall on a worker's hand or foot, which violated Vietnamese safety standards⁷⁷ (see Figure 32).



Figure 31: Heavy Concrete Cover for Evaporative Cooling System Sump



Figure 32: Employee in Sandals Lifting Heavy Concrete Cover

The WRC recommended that the company replace the heavy concrete slab cover with a lighter covering of aluminum or plastic, with handles for easier accessibility. The company provided a photograph showing that the heavy concrete cover had been replaced with a lighter one made of wood.

2025 findings and recommendations

The WRC found that the wooden replacement cover was still in use, and thus this issue remained resolved.

⁷⁷ Law No. 84/2015/QH13, Articles 7, 15, 72, 73 and 74; TCVN 6713:2013, Article 5.2; Decree No.85/2015/NĐ-CP, Article 7.4; Law No. 84/2015/QH13, Article 7.

b. Exit Doors

Previous findings and recommendations

The WRC found in 2019 that operation of the factory's ventilation system subjected the facility's exit doors to substantial negative pressure which causes the doors, when closing, to occasionally do so with enough force to pinch or crush fingers if they were caught in the door, creating a hazard which violated Vietnamese safety standards.⁷⁸ This effect was especially pronounced because the doors were not equipped with hydraulic devices to prevent them from slamming shut.

The WRC recommended that the exit doors be equipped with hydraulic devices to prevent them from slamming shut and crushing or pinching employees' fingers. The factory posted signs on the exit doors warning of the risk of injury but did not commit to install hydraulic devices to prevent their slamming shut. The WRC reiterated the recommendation that the factory install such devices.

2025 findings and recommendations

The WRC found that the doors still have not been equipped with hydraulic devices to prevent them from slamming shut. The WRC reiterates the recommendation that the factory install such devices to prevent injury to workers.

8. Restrooms

Previous findings and recommendations

The WRC found in 2019 that the men's restrooms lacked toilet paper, in violation of Vietnamese workplace laws and regulations.⁷⁹ The WRC recommended that the company ensure that all bathroom facilities are consistently supplied with toilet paper. The factory committed to have the restrooms checked every two hours during the workday to ensure that sufficient toilet paper has been supplied.

2025 findings and recommendations

The WRC found that, while there was toilet paper available in the restrooms, the bathroom facilities, otherwise, are not being properly maintained. The bathroom building had a leaking roof. On the day of the WRC's inspection, it was raining, and, due to the leaking roof, the floor was wet, presenting a tripping hazard.

In addition, the men's bathroom in this building and the bathroom in the factory's onsite health clinic did not have functioning handwashing facilities. Furthermore, the toilet stalls had no running water, so workers had to bring a bucket of water from a nearby tank to be able to flush

⁷⁸ Law No. 84/2015/QH13, Articles 7, 15, 72, 73, and 74; TCVN 6713:2013, Article 5.2; Decree No.85/2015/NĐ-CP, Article 7.4; Law No. 84/2015/QH13, Article 7.

⁷⁹ Labour Code, Article; OSH Law, Article 16; Decision 3733/2002/QĐ-BYT, Section I (4).

them. Failure to keep restrooms in a sanitary and functional condition is a violation of Vietnamese law.⁸⁰

Dong Thanh should undertake repairs to the restrooms, including repairing the roof and the handwashing basins, and ensure that running water is provided, to maintain the toilets in a sanitary condition per the legal requirement.

9. Noise Hazards

Previous findings and recommendations

The WRC found in 2019 that certain workstations in the factory, which were located close to a ventilation fan but were not being used on the day of the WRC's inspection, had noise levels in excess of 85 decibels, indicating a risk to the hearing of employees who might be assigned to work in these areas, and a violation of workplace safety standards⁸¹ (see Figure 33).

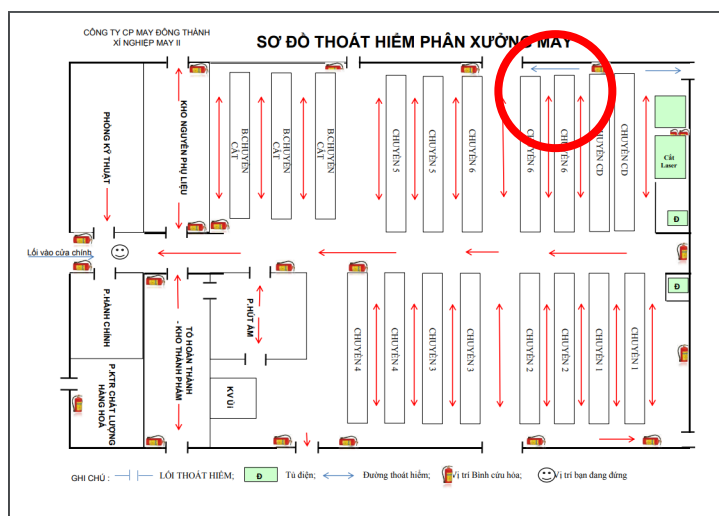


Figure 33: Location Where Excessive Noise Levels Were Measured

The WRC recommended that, should the company assign employees to work in areas of the factory located close to a ventilation fan, it conduct a noise survey to determine if engineering measures should be taken or PPE issued to protect workers from excessive noise volumes.

The factory stated that the excessive noise levels were caused by failure to lubricate the ventilation fan. The factory indicated that it would lubricate the fan, which should reduce the noise level to ameliorate the risk to workers' hearing. The WRC noted this measure but recommended that the factory conduct a noise survey to determine if additional measures were necessary.

2025 findings and recommendations

The WRC found that, according to the June 2023 environmental survey of the factory by local health authorities,⁸² general noise levels in the facility were between 68 and 74 decibels, within

⁸⁰ Law on Occupational Safety and Health Article 16. ("Responsibilities of employers in ensuring occupational safety and health at the workplace. 1. To ensure that the workplace meets the requirements on space, ventilation, dust, steam, hazardous gas, radiation, electro-magnetic fields, heat, moisture, noise, vibration, and other dangerous and hazardous factors as stated in relevant technical regulations; to periodically examine and measure these factors; ensure that there are enough *proper* shower rooms and toilets at the workplace as prescribed by the Minister of Health.") (emphasis added)

⁸¹ Labour Code, Article 138; OSH Law Article 16; Decision 3733/2002/QĐ-BYT, Section XII.

⁸² Quảng Ngãi Province Center for Disease Control, "Dong Thanh: Working Environment Report," June 2023. On file with the WRC.

the legal limit, but, in the cutting section, the noise level was 87 decibels, which is a violation of workplace safety standards.⁸³ The WRC recommends that engineering measures be taken or, if this is not possible, PPE issued to workers in this section, to protect them from excessive noise volumes.

10. Substandard Health Clinic

2025 findings and recommendations

The WRC inspected Dong Thanh's onsite health clinic and found that the bed which is provided as an area for workers who are unwell to rest is being used to store cardboard boxes (see Figure 34). In addition, as mentioned above, the restroom in the clinic area has a broken hand wash basin, preventing proper hygiene.

Finally, the clinic bathroom is also the only space provided for workers who are nursing to use for lactation. This violates the instruction under Vietnamese law for factories to provide nursing workers a separate space for pumping, which is not a bathroom, and that is equipped with a refrigerator for storing breast milk.⁸⁴



Figure 34: Clinic Bed Used for Storage

The WRC recommends that the cardboard boxes are removed from the clinic's bed, and that the clinic toilet is repaired. Furthermore, a section of the clinic should be made enclosable to allow privacy for nursing workers to breastfeed their babies and/or pump breast milk, for which a refrigerator should be provided.

11. Unhygienic Kitchen Facilities

2025 findings and recommendations

The WRC found that, while the kitchen facility in Dong Thanh's canteen was generally kept clean, some of its appliances, including the freezer to store food, are very old and corroded. Other appliances, such as the canteen's microwave oven are not being kept in a sanitary condition. As a result, the canteen's kitchen failed to meet applicable hygiene standards.⁸⁵

The WRC recommends that Dong Thanh replace the freezer and microwave to ensure that food is stored and warmed under hygienic conditions and that any other appliances that are corroded or unsanitary be properly maintained or replaced as well.

⁸³ Labour Code, Article 138; OSH Law Article 16; Decision 3733/2002/QĐ-BYT, Section XII.

⁸⁴ Socialist Republic of Vietnam, Decree 145/2020/NCDP, Article 76 ("Room for breast milk pumping and storage: The room for breast milk pumping and storage is a private area that is not a bathroom or toilet booth; has electricity and water supply, furniture, a fridge, electric fan or air conditioner. The room must be conveniently located and covered from public areas and other employees' sight so female employees can breastfeed or pump and store their breast milk.").

⁸⁵ Labor Code, Articles 138 and 147; Law No: 55/2010/QH12, Articles 10, 11, and 12; and Circulars 15/2012/TT-BYT, Articles 5 and 6, and 30/2012/TT-BYT.

12. Insufficient Light

2025 findings and recommendations

The WRC found several areas in the factory where light levels appeared to be inadequate. In its report of its June 2023 inspection of the factory, the Quảng Ngãi Province Center for Disease Control also found that, in six of the 12 locations in the factory where it tested light levels, including multiple areas in the factory's sewing operations, light levels fell below the legal minimum standard of 500 LUX.⁸⁶

The provincial Center for Disease Control's report notes that in one part of the sewing department the light level was only 210 LUX. In addition to causing eyestrain, poor lighting can also cause sewing machine operators to lean over their workstations excessively, contributing to long-term musculoskeletal injuries.⁸⁷ The WRC also observed low light levels in the factory's dyeing operations.

The WRC recommends that Dong Thanh install sufficient lighting throughout the factory to ensure compliance with Vietnamese legal standards.

⁸⁶ Quảng Ngãi Province Center for Disease Control, "Dong Thanh: Working Environment Report," June 2023. On file with the WRC.

⁸⁷ See, e.g., California Dept. of Public Health, "Sewing Machine Operators, Feel Better! Work Better!" (2009).

IV. Other Issues of Concern

The WRC's 2019 assessment also identified two other areas where specific practices of the factory, while not in violation of Vietnamese law, the Cities' Ordinances, or the code of conduct of Dong Thanh's buyer and Galls' and Banner's supplier, 5.11 Tactical, nevertheless, were inconsistent with prevailing standards of good business practice. The WRC's findings and recommendations concerning these issues—which involved workers' dissatisfaction with the meals provided to employees at the factory's cafeteria and the factory's failure to issue employees pay statements along with their wages—while not implicating legally or contractually binding obligations on the part of the factory, 5.11 Tactical, Galls, or Banner, are presented below so that they are brought to the attention of and can be addressed by these parties.

A. Quality and Quantity of Food Provided to Workers in Factory Canteen

Previous findings and recommendations

Nearly all the workers who were interviewed by the WRC in 2019 stated that the food provided to them in the factory's canteen was often poor in quality and was served in overly small portions. Employees testified that the portions of food they were served often were so small that they brought food from home to supplement the canteen meals, so that they were not still hungry after eating. Workers added that the prices they believed Dong Thanh paid to its vendor for food for the canteen—reportedly between VND 8,000 (US\$0.35) and 10,000 (US\$0.44) per employee meal—was low compared to those paid by other factories for food for their workers.

The WRC found evidence to support the workers' concerns, noting that in January 2019, the regional body of the Vietnamese General Confederation of Labour in Ho Chi Minh City reached an agreement with six garment factories in that area for the latter to pay VND 17,000 (US\$0.75) per employee meal for the food that those factories provided to their workers.⁸⁸ Consumer prices are higher in Ho Chi Minh City than in Quảng Ngãi, where Dong Thanh is located. Adjusting the VND 17,000 per employee meal price that the Ho Chi Minh factories reportedly agreed to pay for the difference in consumer prices between the two areas yielded an equivalent price in Quảng Ngãi of VND 15,275 (US\$0.67) per employee meal⁸⁹—which was roughly 50–90 percent higher than the per meal price Dong Thanh reportedly paid at that time.

While the payment of substandard prices—and provision of substandard meals—in relation to the food served in the factory's canteen does not constitute a violation of Vietnamese law or the Cities' Ordinances, since these meals represent a form of in-kind compensation, it was arguably inconsistent with the code of conduct of Dong Thanh's buyer, 5.11 Tactical, that workers' pay should be consistent with not only legal minimum requirements but also prevailing industry

⁸⁸ “Multi-employer Social Dialogue in Linh Trung Export - Processing Zone, Ho Chi Minh City,” *Trade Union Reform for Workers' Rights and Interests* Newsletter, No.3 Quarter IV/ 2018, p. 5, https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-hanoi/documents/publication/wcms_667554.pdf.

⁸⁹ The relative cost of living index in 2018 in Ho Chi Minh City was 101.47, while in Quảng Ngãi, the cost-of-living index was 91.18. General Statistics Office of Vietnam, “Table 270: Spatial cost of living index among provinces (Ha Noi = 100),” Price Index, 2018. Accordingly, an item costing VND 17,000 in Ho Chi Minh City would cost in Quảng Ngãi $17,000 \times 91.18 / 101.47 = \text{VND } 15,276$ (US\$0.67).

standards.⁹⁰ Since, given their low wages, Vietnamese workers rightly consider the midday meals provided by their employers to be a significant part of their overall compensation, the concerns expressed by the Dong Thanh employees regarding the amount and quality of food they were given at the factory's canteen appeared legitimate and well-placed.

The WRC recommended that Dong Thanh increase the price it paid to the factories' canteen vendor for workers' meals to be in line with prevailing industry standards of good practice, which, in this case, would have been roughly VND 15,275 (US\$0.67) per employee meal. Dong Thanh responded to this recommendation by agreeing to increase the amount it paid per meal on a daily basis, generally, to VND 10,000–12,000 (US\$0.43–0.51) and the amount it paid on Wednesdays, specifically, to VND 15,000 (US\$0.66). The WRC continued to recommend that the factory pay the latter amount for workers' meals on all working days.

2025 findings and recommendations

While workers interviewed by the WRC in 2025 did not complain about the quantity of food served to them, they did raise concerns regarding the quality of the food served. According to the officers of the factory workers' union, the quality of the food was the most common subject of worker complaints. The WRC recommends that Dong Thanh reviews the price it pays currently for workers' daily meal to ensure that the meals are of adequate quality.

B. Employee Pay Statements

Previous findings and recommendations

As noted earlier in this report, Dong Thanh did not provide its workers with a pay statement at the time they were paid their wages. Although neither Vietnamese law, the Cities' Ordinances, nor 5.11 Tactical's code of conduct explicitly require that employers issue workers pay statements at the time the latter receive their wages, the labor law does require that such wages are paid in full and in a timely manner.⁹¹

Without a pay statement that provides the basis for understanding how wages are calculated—i.e., the numbers of regular hours and overtime hours worked; hours of paid leave (for holidays, etc.) taken; applicable rates of pay for these hours; amounts of bonuses earned for attendance and fulfilling production targets; and additional allowances included in and the deductions taken from the worker's pay—it is difficult for employees to understand whether the company is complying with its legal obligation to pay their wages in full and on time. For this reason, provision to workers of a statement explaining the calculation of their wages at the time these wages are paid is a basic element of responsible business practice and is mandatory under the labor laws of many countries⁹² and the codes of conduct of many brands.⁹³

⁹⁰ 5.11 Tactical, Vendor Code of Conduct, <https://www.511tactical.com/vendor-code-of-conduct>.

⁹¹ Labor Code, Article 96 (“An employee shall be fully paid on time as agreed and direct manner.”).

⁹² E.g., Cambodian Labour Code, Article 112(b) (“The employer must take measures to inform the workers in a precise and easily comprehensible fashion of: ... [t]he items that make up their wage for every pay period when there is a change to the items.”)

⁹³ E.g., Gap, Inc., Vendor Code of Conduct (“The facility shall ensure that for each pay period, workers are provided understandable wage statements that includes all relevant details written in a language they understand.”).

The WRC recommended that Dong Thanh provide employees, at the time their wages were paid, with a written pay statement that includes the information outlined above. As already discussed, the factory agreed to begin providing workers with written pay statements at the time they receive their wages.

2025 findings and recommendations

The WRC found that Dong Thanh is now providing workers with pay statements that show the number of days they have worked during the pay period; the amounts of the bonuses included in their pay; and the number of overtime hours they worked. However, these pay statements still do not provide workers with a clear explanation of how their overtime pay and productivity bonuses are calculated.

Workers and line leaders (working forepersons), when interviewed by the WRC, related that they still did not understand how their wages are calculated. The WRC recommend that Dong Thanh improve the pay statements it provides to workers to ensure that the latter are able to fully understand how their wages are calculated.

V. Conclusion

Although Dong Thanh has taken steps to remedy many of the violations the WRC previously identified, a number of violations still have not been corrected, and in some areas the factory's labor practices have regressed. Those violations that are still outstanding, however, are amenable to remediation and correction by Dong Thanh and 5.11 Tactical, with the assistance and involvement of the Cities' contractors, Galls and Banner. This process should have as its immediate goal the establishment of an updated corrective action plan that is consistent with the recommendations in this report and agreed upon by all parties with time-bound commitments for its full implementation.