

Better Work Vietnam

Thematic Synthesis Reference Report: Fire Safety

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Organization



**International
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Executive Summary

The Better Work Vietnam program, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), was launched in July 2009. The program aims to improve competitiveness in the apparel industry by enhancing economic performance at the enterprise level and by improving compliance with Vietnamese labor law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work.

The program engages with participating factories by conducting independent assessments and offering advisory and training services.

As part of its mandate of sharing information with all program stakeholders, and encouraging continuous improvement, Better Work Vietnam produces two public synthesis reports per year aggregating information on the performance of participating factories in the reporting period

As of 2013, Better Work will now focus every other synthesis report on a chosen theme with relevance to the national garment industry. This will allow the program to look more in depth at relevant issues. This is the first such thematic report for Better Work Vietnam with fire safety selected as the focus.

Fires in Vietnam garment factories have been frequently in the news this year. As well as the obvious human cost, the financial cost can also be significant and can deeply damage the Vietnamese industry as a whole in terms of international reputation and subsequent opportunity. Much remains to be done in Vietnam to strengthen both prevention and response to fires.

This synthesis report covers fire safety issues in factories assessed by Better Work Vietnam programme at least 3 times, in order to highlight the changes and trends that have taken place over the course of factories' three yearly cycles with Better Work Vietnam. As of August 2013, Better Work Vietnam has visited 73 factories at least 3 times, this report covers those factories.

Overall there is an encouraging downward trend in non-compliance for most of the questions related to fire safety by the third assessment visit. The most striking improvement has been in terms of performing an assessment of general occupational safety and health issues in the factory.

In the latest round of assessments, there are five areas related to fire safety that still have non-compliance findings higher than 20% - inaccessible exits (41%), chemical storage (34%), clearly marked emergency exits (21%), maintenance of electrical wires (22%) and adequate fire-fighting equipment (22%).

A number of initiatives are already underway by Better Work Vietnam and others to improve fire safety in the industry but much remains to be done.

The final section of the report contains recommendations for different stakeholders to help ensure the Vietnam garment industry is safe for workers and low-risk and therefore attractive for foreign investors.

Section I: Introduction and Methodology

Introduction

The Better Work Vietnam program, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), was launched in July 2009. The program aims to improve competitiveness in the apparel industry by enhancing economic performance at the enterprise level and by improving compliance with Vietnamese labor law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work.

The initial focus of the program is the apparel industry in Ho Chi Minh City and surrounding provinces. The garment sector is among the top two largest export earners for Vietnam. In 2012, total export earnings derived from the textile and garment industry reached US\$17 billion, making Vietnam the fifth largest garment and textile supplier in the world. The sector is also the largest formal employer in Vietnam, providing jobs for more than 2 million people. Most of the workers are young women migrating from rural areas, who in turn support a number of extended family members through remittances. According to Better Work research, roughly 70% of workers in participating factories send remittances home. Over the first five years of operation, Better Work Vietnam plans to work with over 300,000 workers in the Vietnamese apparel industry.

The program engages with participating factories by conducting independent assessments and offering advisory and training services. This report is an overview of findings from the assessments, which in turn form the basis for the individualized advisory work.

As part of its mandate of sharing information with all program stakeholders, and encouraging continuous improvement, Better Work Vietnam produces two public synthesis reports per year aggregating information on the performance of participating factories in the reporting period.

As of 2013, Better Work will now focus every other synthesis report on a chosen theme with relevance to the national garment industry. This will allow the program to look more in depth at relevant issues. This is the first such thematic report for Better Work Vietnam with fire safety selected as the focus.

Fires in Vietnam garment factories have been frequently in the news this year. In 2012, there were roughly 1,600 fires in Vietnamese factories (including garment factories) causing death and injury to workers and major structural damage to enterprises. In Bac Giang province, a fire damaged not only the buildings but also thousands of workers' motorbikes at a huge cost to the enterprise. In addition, one of the largest shoe factories in the country, employing more than 60,000 workers and widely considered to be a highly sophisticated factory, has had two fires since May this year. Several recent fires have occurred at night without human cost but with significant damage to the infrastructure due to insufficient staff on site to fight the fires until the fire service arrived. As well as the obvious human cost, the financial cost can also be significant and can deeply damage the Vietnamese industry as a whole in terms of international reputation and subsequent opportunity. The issue of fire safety in the garment industry is also of particular focus internationally this year, following devastating and tragic fires in both Bangladesh and Pakistan.

Much remains to be done in Vietnam to strengthen both prevention and response to fires. The international community is looking to Vietnam for commitment on making the necessary improvements. This report provides an opportunity to present what is being done as well as some recommendations for further improvements.

Better Work Methodology for Thematic Reports

Better Work carries out factory assessments to monitor compliance with international core labour standards and national labour law. Following an assessment, a detailed report is shared with the factory. An aggregated industry-level report is issued twice a year. In its factory and industry-level reports, Better Work highlights *non-compliance* findings. It reports these figures to help factories and other stakeholders easily identify areas in need of improvement. Collecting and reporting these data over time will help factories demonstrate their commitment to improving working conditions.

In its factory assessments and in traditional synthesis reports, Better Work organizes reporting into eight areas, or clusters, of labour standards. Four of the clusters are based on fundamental rights at work (Child Labour, Discrimination, Forced Labour and Freedom of Association and Collective Bargaining) and four are based on national labour law relating to working conditions (Compensation, Contracts and Human Resources, Occupational Safety and Health and Working Time).

The theme explored in the present report is Fire Safety, comprising questions cutting across different subcategories under the **Occupational Safety and Health** cluster:

Compliance point	Question
Chemicals and Hazardous Substances	Are chemicals and hazardous substances properly stored?
Emergency Preparedness	Are any of the emergency exits inaccessible, obstructed, or locked during working hours, including overtime?
	Are emergency exits and escape routes clearly marked?
	Are there at least 2 possible exits for all workers, where required?
	Does the employer comply with legal requirements of escape routes?
	Does the employer conduct at least one emergency drill per year?
	Does the workplace have a fire detection and alarm system?
	Does the workplace have adequate fire-fighting equipment?
	Has the employer developed and trained workers on an emergency evacuation plan?
OSH Management Systems	Has the employer trained an appropriate number of workers to use the fire-fighting equipment?
	Does the employer conduct risk assessment?
Worker Accommodation	Does the employer regularly inspect and maintain machines, equipment, buildings and stores?
	Has the employer adequately prepared for emergencies in the accommodation?
Worker Protection	Is the accommodation protected against fire?
	Are electrical wires, switches or plugs properly installed, grounded, and maintained?

Note on the factories represented in this report

This synthesis report covers fire safety issues assessed by Better Work Vietnam in all factories that have had at least 3 assessment visits by the programme. As of August 2013, Better Work Vietnam has visited 73 factories at least 3 times. The analysis that follows is based only on the findings of these 73 factories, in order to highlight the changes and trends that have taken place over the course of three yearly cycles with Better Work Vietnam. The present report therefore does not include data from factories assessed only once or twice by the program.

Section II: Findings

Average Non-Compliance Rates

Figure 1 Average non-compliance findings for fire safety by visit

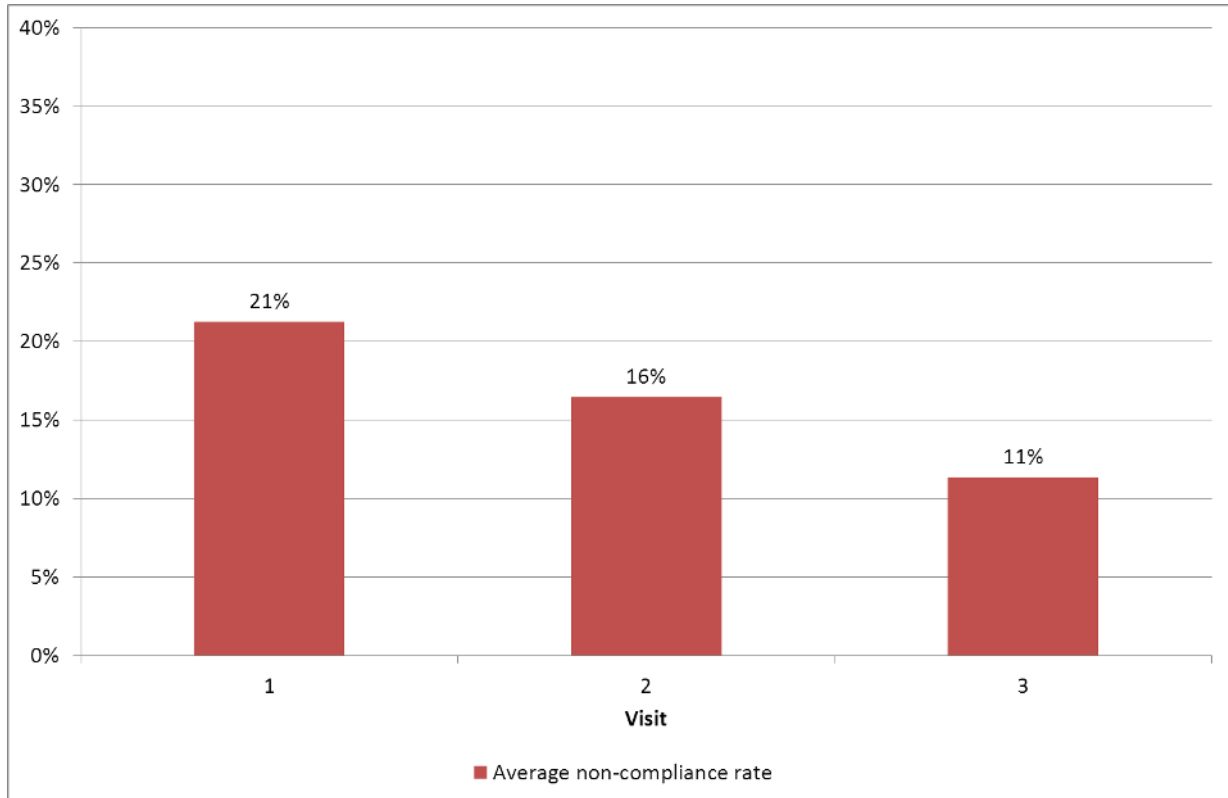


Figure 1 above shows that the non-compliance rates across all the questions related to fire safety have decreased from 21% during the first visit to 11% in the third round of visits.

Detailed Findings

This section describes non-compliance at the level of questions.

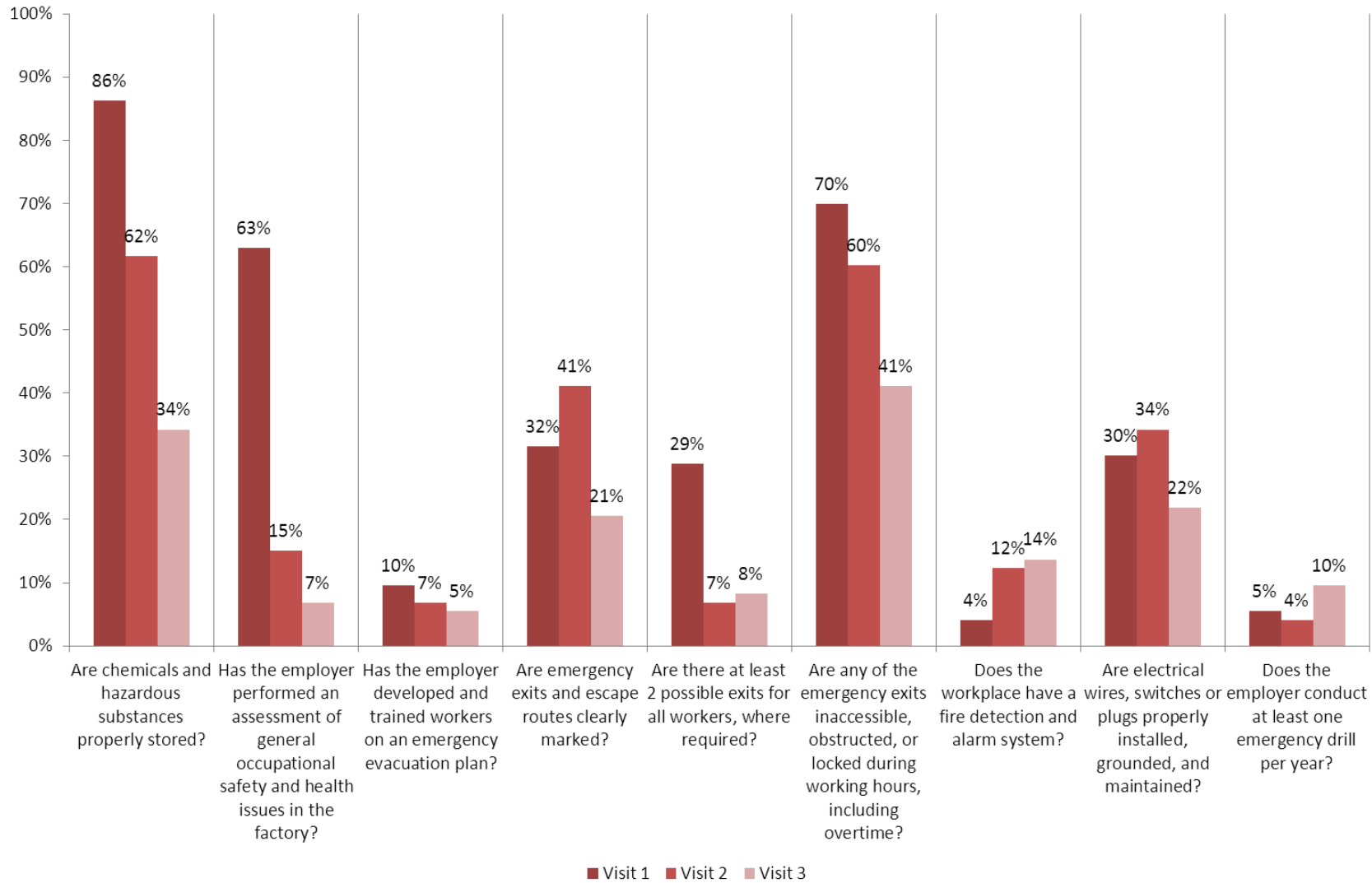
Table 1 presents the **non-compliance** rates for each question related to fire safety by visit. Figure 2 is a visual representation of the numbers from this table. Given that the figures show non-compliance levels, higher percentages indicate a greater number of issues. For the purpose of space, the chart only includes those indicators which experienced a change of 5% or more in non-compliance rates between the first and third visit.

Table 1 Aggregate non-compliance rates at the question level, by visit

	Visit 1		Visit 2		Visit 3	
Are chemicals and hazardous substances properly stored?	86%	(63)	62%	(45)	34%	(25)
Does the employer conduct risk assessment?	0%	(0)	1%	(1)	1%	(1)
Has the employer performed an assessment of general occupational safety and health issues in the factory?	63%	(46)	15%	(11)	7%	(5)
Does the employer regularly inspect and maintain machines, equipment, buildings and stores?	0%	(0)	1%	(1)	1%	(1)
Has the employer informed and prepared workers for possible emergencies in the workplace?	4%	(3)	0%	(0)	0%	(0)
Has the employer developed and trained workers on an emergency evacuation plan?	10%	(7)	7%	(5)	5%	(4)
Are emergency exits and escape routes clearly marked?	32%	(23)	41%	(30)	21%	(15)
Does the employer comply with legal requirements of escape routes?	0%	(0)	1%	(1)	1%	(1)
Are there at least 2 possible exits for all workers, where required?	29%	(21)	7%	(5)	8%	(6)
Are any of the emergency exits inaccessible, obstructed, or locked during working hours, including overtime?	70%	(51)	60%	(44)	41%	(30)
Does the workplace have a fire detection and alarm system?	4%	(3)	12%	(9)	14%	(10)
Are electrical wires, switches or plugs properly installed, grounded, and maintained?	30%	(22)	34%	(25)	22%	(16)
Does the workplace have adequate fire-fighting equipment?	22%	(16)	26%	(19)	22%	(16)
Has the employer trained an appropriate number of workers to use the fire-fighting equipment?	4%	(3)	1%	(1)	3%	(2)
Does the employer conduct at least one emergency drill per year?	5%	(4)	4%	(3)	10%	(7)
Has the employer adequately prepared for emergencies in the accommodation?	3%	(2)	3%	(2)	3%	(2)
Is the accommodation protected against fire?	0%	(0)	3%	(2)	0%	(0)

Note: The number of factories is indicated in parenthesis

Figure 2 Aggregate non-compliance rates at the question level, by visit



Non-compliance rates shown in Table 1 and Figure 2 show an encouraging downward trend in non-compliance for most of the questions related to fire safety by the third assessment visit.

The most striking improvement has been in terms of performing an assessment of general occupational safety and health issues in the factory. In the first visit, 63% of factories were found to be non-compliant. By the third visit, only 5 factories out of 73 are still non-compliant (7%). This is particularly encouraging as it shows a systematic approach not just to fire safety but to wider occupational safety and health issues.

In the latest round of assessments, there are five areas that still have non-compliance findings higher than 20% - inaccessible exits (41%), chemical storage (34%), clearly marked emergency exits (21%), maintenance of electrical wires (22%) and adequate fire-fighting equipment (22%).

Since marking and unblocking/unlocking emergency exits is not most often a costly improvement, the fact that factories still often do not comply indicates a failure to understand the risks and/or the benefit of preventive measures. In addition, it is common for management to solve this problem in the short term but without a system for monitoring it systematically to ensure it doesn't reappear. What is promising however is that while non-compliance rates remain at 41%, they have fallen dramatically (from 70% to 41%) from the first to the third BWV visit. Factories have also made an effort to have at least 2 possible exits for all workers, with the number of factories without two exits falling from 21 to 6 over the three year period.

Chemical storage and adequate fire-fighting equipment, while requiring some investment, are also generally not prohibitively expensive. In the case of chemical storage, experience shows many factories do not know what good practice looks like. Better Work has put significant effort into producing practical materials and educating factories on appropriate chemical storage. In addition to producing a presentation and good practice sheets on fire safety for use during PICC meetings, Better Work held seminars in November 2012 on chemical management, covering 165 participants from 65 factories in three provinces. The significant effort made on this area is evidenced by the fact that compliance has improved by 52%, with the number of non-compliant factories dropping from 63 to 25.

One area with relatively high ongoing non-compliance is electrical safety. Despite the fact that electrical problems are one of the main causes of fires, factories are generally reluctant to address this issue. Electrical safety is poor in many factories, not just in an isolated area but often throughout the premises (or in entire workshops). Addressing electrical safety comprehensively involves a significant financial investment that many factory owners are still not prepared to make. There are however also low cost opportunities to improve electrical safety such as training workers on the need to properly turn-off equipment.

The largest increase in non-compliance findings relates to fewer workplaces having a fire detection and alarm system. In the first visit, 3 factories were found to be non-compliant, but by the third visit, this number increased to 10. This upward trend is due to strengthened guidance in the Better Work Compliance Assessment Tool from the Vietnamese TCVN (Vietnam National Standards) which now require the assessor to check that the fire detection system is audible, visible and maintained twice per year. In addition, an enhanced understanding (and additional training) of Better Work staff means they are now able to apply the standards more strictly during assessments. To further address the problem, since mid-2013, non-compliance on an adequate fire detection and alarm system is flagged as urgent in all improvement plans and the BWV advisor is required to work with the PICC on this issue immediately.

The number of employers that did not conduct emergency drills at least once per year looks to have increased from 4 to 7. While this figure is in itself worrying, particularly in the light of lessons learnt

from recent fires, it can be explained by a strengthening of the Better Work assessment process as opposed to an actual backslide by factories. Assessors now only find factories to be in compliance for annual fire drills if the drill covers night-shift (if any), all buildings, all workers and has the involvement of the Fire Police.

Section III: Fire Safety Initiatives to Date

Better Work has undertaken a number of initiatives over the past 9 months to strengthen fire safety including:

- **A Safety Fun Run** promoting fire safety involving 3,400 garment workers and managers as well as international buyers, which aimed to strengthen the connection and awareness of employees, employers, buyers, and the community of how to prevent fires in factories. Workers participated in educational skits, slogan contests, games, and other activities to ensure effective and interactive learning.
- **Fire Safety Booklet for workers** distributed to roughly 3,500 workers with information on common causes of fire and simple instructions on how to prevent and fight fires at work and home. Emergency service numbers also included.
- **Learning Seminars** on fire safety for managers and union leaders in Ho Chi Minh City, Binh Duong, Dong Nai and Cu Chi provinces. Drawing on global best practices, participants learnt about the causes of fires and how to control fire and respond in case of emergency. The events attracted 130 participants from 65 factories and every participant developed an action plan for their own factory for how to increase fire safety prevention measures, with associated responsibilities and timeframes.
- **Better Work Compliance Assessment Tool** section on fire safety strengthened by adding more detailed guidance from the TCVN (e.g. on required height and width of exit doors, requirements for 'adequate' fire fighting equipment, fill drills, and other).
- **Improved advisory service** including a dedicated advisory visit on fire-safety, an observation tour on fire safety during every advisory visit, and immediate reporting of fire safety concerns to factory senior management. A number of resources have also been developed including: a checklist, presentation, videos (global garment factory fires and good practice), news articles and Good Practice Information Sheets (e.g. on appropriate exit doors, chemical management etc.)
- **Additional training for enterprise advisors** on fire safety by the local Fire Department as well as by BW Global staff.

The government of Vietnam has also undertaken recent initiatives to help address the issue of fire safety:

- National Week of Labour and Fire Safety, organized by MoLISA with a series of events around the country to highlight the issue and discuss prevention techniques. The events are complemented by bringing together international OSH experts from other countries to discuss fire safety monitoring techniques.
- Prior to National Week of Labour and Fire Safety MOLISA organized annual inspections of a number of enterprises (including garment factories) in which inspectors took a close look at Fire Safety including:
 - Fire Safety Action Plans
 - Plans for fire prevention and whether they are approved by the Fire Department or other authorities
 - Training plans on fire safety and whether they are approved by the Fire Department
 - Equipment for fire detection, fire-fighting, fire protection etc.

It is worthwhile noting that Better Work Vietnam non-compliance findings closely match those identified by MOLISA inspectors on fire safety. In particular, MoLISA has noted the following issues of particular concern:

- Lack of warning signs in correct places
- Lack of plans on controlling and handling flammable and combustible materials.
- Inaccessible/obstructed emergency exits
- Insufficient checks on the installation and maintenance of electrical equipment leading to dangerous practice (e.g. uncovered electrical boxes, electrical circuits not installed properly to prevent arcing, sparking and overloading etc.).

Information from VCCI and VGCL confirm the same concerns as Better Work and MOLISA.

Section IV: Conclusions and Policy Recommendations

While steady improvements can be noted in most areas of compliance related to fire safety, there is still much to do. Making change will require the coordinated efforts of many stakeholders in Vietnam.

Better Work will continue to strengthen its work on fire safety, including further training of Enterprise Advisors and strengthening of the Compliance Assessment Tool guidance. With the benefit of the data presented above, Better Work can also focus advisory visits on the areas with highest non-compliance rates (e.g. accessible exits, chemical storage, electrical safety) as well as those where progress has been slow (e.g. regular fire drills, adequate fire fighting equipment etc.). The IFC is also funding a study in 2014 across all Better Work to assess fire risk in each country, due.

In addition to its own efforts, Better Work Vietnam calls on its national stakeholder partners to prioritise this area as follows.

Government:

- Emphasize fire safety when issuing permits and licences for construction
- Strengthen the guidance, inspection and particularly enforcement of fire safety laws (including the need for all factories to attend fire safety training, have appropriate exits doors and automatic fire-fighting equipment such as sprinklers for certain areas)
- Prioritise efforts to address electrical safety as a major cause of fire
- Strengthen the fire service, staff numbers, training and facilities and ability to support enterprises on their fire safety plans
- Work with fire service/industry to agree what firefighting coverage is needed at night.

Trade Union :

- Train union officials so they can adequately fulfil their enterprise level responsibilities related to fire safety
- Take a proactive role in fire prevention strategies in enterprises:
 - Use the Labour Protection Council to ensure fire safety is adequately covered in annual OSH plans and bi-annual OSH checks
 - Assign one member of the Union Executive Committee to be in charge of OSH issues, with a focus on fire safety, and communicate this role to all workers
 - Educate workers on the risks, prevention strategies, and emergency responses for fires (including working with management to include this in induction since the worker turnover is too high to rely only periodic trainings alone)
 - Provide a functioning channel for workers to report concerns
 - Relay information on fire risks to factory management

Industry :

- Assign a representative from the employers' association to work directly with factories on fire safety issues
- Raise awareness among factories of the need and benefit, in terms of human risks, financial implications, and reputation, of prioritising fire safety
- Change the industry norm of accepting rolling/slide exit doors and not installing required automatic fire-fighting equipment (e.g. sprinklers)
- Ensure factories a) identify and train a responsible person for fire safety and b) invest in proper training of workers c) invest in necessary equipment and maintenance

Better Work looks forward to working on fire safety with national stakeholder partners, to ensure that the Vietnam garment industry is a safe place for its workers and a vibrant and a low risk industry for international investment.