



Lab
Global

Saitex International Dong Nai (VN) Co., Ltd

Disclosure Report

Date Submitted: January 2, 2025



Disclosure Materials

B Lab issues a Transparent Disclosure Report for Certified B Corporations, as a component of their certification, to inform public stakeholders of potentially sensitive issues that B Lab has identified or become aware of. The Transparent Disclosure serves to:

- 1) Be transparent about details of the identified issues on the company's public B Corp profile
- 2) Describe how the company has addressed this issue, if applicable
- 3) Demonstrate that management practices are in place to avoid similar issues arising in the future, when necessary.

This component of the certification requirements does not affect the company's score on the B Impact Assessment.

Transparent Disclosures might be tied to a formal allegation received through B Lab's Public Allegations Process. Any party may submit an allegation about a current B Corp through [B Lab's Allegation Process](#). Grounds for complaints include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

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Disclosure Statement

Disclosure Questionnaire Category: Complaint / Other

Issue Date	January, 2025
Topic	“Disciplinary Deductions from Employee's Performance Incentive pay”
Summary of Issue	<p>In April 2023, workers at a Saitex International factory in Dong Nai, Vietnam, were subjected to a partial deduction of their performance incentive pay for product defects. According to the Company, this was due to a steep and unusually high increase in defective products and rejection rates.</p> <p>“In response, 267 workers initiated a strike after deductions of up to 1 million Vietnamese dong (US\$ 40) were made from their paychecks. The strike lasted for a half day. The workers demanded full payment.</p> <p>The company then engaged in negotiations with the local union, which resulted in a refund of the disputed amounts and the resumption of work.”</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	“267 workers were affected by the deduction, representing 10% of the total factory workforce of 2,626.”
Impact on Stakeholders	<p>Wage deductions can have a negative impact on employee satisfaction and retention. When perceived as unfair, they can lead to stress, dissatisfaction, and a loss of job security. Improved communication between employees and management is essential to prevent future conflicts and maintain a positive workplace environment.</p>
Resolution	<p>B Lab determined that Saitex is required to disclose the matter (this document) and recommended that Saitex take voluntary corrective action to help prevent this from happening in the future. See “Management Practices”.</p> <p>“The company has not been the subject of a formal complaint from a regulatory authority or fined or sanctioned as a result of the incident. Saitex proactively notified customers and stakeholders after the incident occurred.</p>



	<p>Saitex took corrective actions immediately after the incident.”</p>
Management Practices	<p>“Saitex confirmed that the deductions were made in accordance with local labor laws and internal regulations and were motivated by the desire to develop a higher sense of responsibility and accountability in all its employees at all levels.</p> <p>Prior to deducting the cost of defective goods from workers' wages, the company held production meetings to address the identified quality issues with the products being manufactured.</p> <p>Following the strike, the factory implemented new procedures to enhance the efficiency and rigour of its group communication system.</p> <p>Furthermore, the Grassroots Union Executive Committee must engage in more frequent communication and collaboration with other groups within the factory, and provide additional guidance on the process of requesting answers between employers and employees.</p> <p>The company conducted training sessions on "Cooperation and Effective Communication in the Workplace" for managers at all levels and employees.</p> <p>The company has established feedback and reporting channels to address any issues that may arise. These include direct feedback, a suggestion box, and a hotline. Furthermore, the company will implement specific internal communication channels and a more detailed issue tracking system.</p> <p>Saitex has also agreed to limit the use of disciplinary pay deductions to a last resort. Furthermore, Saitex has developed an enhanced internal policy that:</p> <ul style="list-style-type: none">- Set forth all circumstances under which this type of disciplinary action is permitted, including the procedural fairness of the disciplinary action and the employee's right to appeal;- Require that, in such disciplinary actions, consideration be given to limiting any authorized deductions so that the net amount of wages received by workers should in all cases be sufficient to provide a decent living income for themselves and their families.



	- That all pertinent details concerning the rationale for and the scale of the deductions to be made from wages must be furnished to the employees concerned in advance. This avoids any unanticipated diminution in remuneration that would impair their capacity to support themselves and their families.”
Reports	Hundreds of Saitex Workers Strike Over Paycheck Deductions
Management Comments	