



COMPANIES: C. R. Gibson, LLC  
COUNTRY: Vietnam  
ASSESSMENT DATE: 08/16/16  
ASSESSOR: FLA China  
PRODUCTS: Other  
NUMBER OF WORKERS: 156

## FLA Comments

This report was submitted to the FLA and the FLA affiliated company by the assessor. Despite deadline reminders and extensions for submission of a corrective action plan, the FLA has not received a plan to address the risks and noncompliances raised in the report. Therefore, the report is posted in its current state and will be updated once a corrective action plan has been submitted to and reviewed by the FLA.

## Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Policies & Procedures (Macro)

##### Finding Explanation

1. There are policies and procedures on Recruitment & Hiring. However, there are no policies or procedures on Personnel Development or procedures on performance reviews.
2. The factory does not have any guidance documents for external contractors or service providers concerning Health & Safety.
3. The emergency response procedures do not cover reactions to food poisoning, strike, or unrest.
4. The factory has not established an overtime policy in line with legal requirements; its daily overtime limit is 12 hours per day, which is out outside of the legal limit of four hours per day.
5. While there is a policy on Freedom of Association, there is no policy on Industrial Relations.
6. The disciplinary procedure does not include procedures for workers to appeal the disciplinary action or the right a third-party witness during imposition.
7. The factory has not established any policies or procedures on chemical management.

##### Local Law or Code Requirement

Law No. 84/2015/QH13, Art.7; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.27, ER.28, ER.29, ER.30, and ER.31; Hours of Work Benchmarks HOW.1 and HSE.9)

### FINDING NO.2

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

##### Finding Explanation

1. The factory does not annually train workers or supervisors on Environmental Protection. Supervisors are provided with the same environmental training as workers; there is no specific training provided to supervisors. The last training was conducted January 2015, and the next training on Environmental Protection has not yet been scheduled.
2. The internal trainers who conducted the Health & Safety and chemical safety training for the new workers are not legally qualified to provide this training.
3. There is no training provided to supervisors on Recruitment, Hiring & Personnel Development. Supervisors are only trained on quality management system and work rules.
4. New workers were provided with orientation training including all the company's policies and procedures. However, there is no ongoing training for workers on Recruitment, Hiring & Personnel Development practices.

5. There is no specific training to the relevant supervisors or ongoing training to workers and supervisors on Industrial Relations or Freedom of Association.

6. The Health & Safety training is not conducted for officials or managers who are responsible for occupational safety and hygiene in the factory.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, ER.25, and ER.28; Health, Safety & Environment Benchmark HSE.4)

### FINDING NO.3

#### SUSTAINABLE IMPROVEMENT REQUIRED

**FINDING TYPE:** Review Process (Macro)

#### Finding Explanation

The policies and procedures are not regularly reviewed for any of the Employment Functions. None have been reviewed since 2014, when the first version was issued.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)

### FINDING NO.4

#### SUSTAINABLE IMPROVEMENT REQUIRED

**FINDING TYPE:** Responsibility & Accountability (Macro)

#### Finding Explanation

1. The factory has not defined the responsible person(s) or established formal job descriptions for the positions accountable for the following Employment Functions: Compensation, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, Environmental Protection, and Health & Safety.

2. The factory has not defined the person(s) with ultimate responsibility or established a formal job description for the person(s).

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, ER.30, and ER.31)

### FINDING NO.5

#### IMMEDIATE ACTION REQUIRED

**FINDING TYPE:** Recruitment, Hiring & Personnel Development

#### Finding Explanation

1. The factory has not developed written job descriptions, and therefore there are none available for the Recruitment & Hiring process.

2. Although there are no written procedures for performance reviews, the factory conducts performance reviews for new workers during their probation period. It was noted that the reviews are heavily dependant on the supervisors' opinion. The review is recorded, though workers do not have access to their evaluations, nor are they able to provide feedback.

3. In one instance, the line leader signed the contract for a worker on their line on her behalf without the worker's consent.

4. The factory applies excessive probation to all workers. All workers must undertake a one-month probation period, regardless of the job complexity or the technical level or vocational intermediate education required for the job, which is contrary to local law. Due to their complexity, most jobs in the factory only require a six-day probation period.

5. The employment contract is not updated as per local law. It is lacking information such as the employer's ID or passport number, the starting and ending working time, the wage increase frequency, etc.

6. The factory does not pay for workers' health checks before job assignment; currently they are paid for by workers.

7. The factory conducts a tattoo check on male workers as a condition of hiring.

8. The factory sets a physical height (above 1.6m for male and above 1.58 m for female), weight (above 58 kg for male and above 48 kg for female) and age (18 to 45 years old for male and 18 to 35 for female) limit as a condition of hiring for in-house contracted security

guards.  
The factory has no proof that it has hired disabled persons. Although it is not legally required, it is encouraged by the government.

#### Local Law or Code Requirement

Decree No. 05/2015/ND-CP on Defining and Providing Guidance on the Implementation of a Number of Contents of the Labor Code (2015), Art. 3 and 4; Labor Code No. 10/2012/QH13 (2013), Art. 8(1), Art. 27

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.3, ER.6.2, ER.10, and ER.29; Nondiscrimination Benchmarks ND.1 and ND.2)

#### Recommendations for Immediate Action

- 1.Ensure all employment terms on the labor contracts are voluntarily agreed on by workers.
  - 2.Grant a six-day probation to workers who handle the simple jobs which do not require a technical level or vocational intermediate education.
  - 3.Regularly update the labor contract, as per the legal requirements.
- Pay for worker's pre-job assignment health check.
- 4.Ensure that the Recruitment & Hiring policies and procedures are free from any type of discriminatory bias.
  - 5.Discontinue the tattoo check as well as physical and age requirements as a condition of hiring.

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Compensation

#### Finding Explanation

- 1.The wage scale is not posted or publicized, as legally required.
  - 2.The factory does not properly calculate the overtime premium for night overtime. It defines the night overtime premium at 185% instead of 200% or 210% (the rate depending on overtime arrangement).
  - 3.The factory had not paid severance allowance to either of the two sampled former workers who resigned in April, 2016. The factory had only paid them their last month's wages and their unused annual leave; it had not paid them their severance allowance.
  - 4.The factory did not take into account the local legal requirements when paying termination payouts. Employment periods not covered by unemployment insurance, such as maternity leave, is not currently included in the length of employment used to calculate severance allowance. Additionally, the final payout formula does not correctly round-up the length of service the worker has served (rounding up to six months for a length of service less than six months, and rounding up to a year for a length of service from six full months to a year).
  - 5.Since the factory is not aware that the cutting operators are classified as Type IV workers, it does not provide them the heavy and hazardous allowance. They are also not provided with sufficient annual leave; they are provided 12 days of annual leave a year instead of the 14 days they are legally entitled to as Type IV workers.
  - 6.The factory deducts sick leave and funeral leave from workers' annual leave. 7.The factory has been fined by the social bureau for deducting sick leave from annual leave since the Social Bureau pays for sick leave while annual leave is paid for by the factory.
  - 8.The factory does not pay probationary workers the cost of their insurance such as social, health, unemployment insurance and annual leave, as legally required, which workers must cover themselves.
- Work on Sunday is not reflected on the payrolls or time records. The factory paid workers for Sundays in cash without recording workers' time or maintaining payrolls.
- 9.If pregnant workers' take leave for their prenatal checks, a leave to which they are legally entitled, the factory deducts from their attendance bonus. Therefore, pregnant workers do not select to have a prenatal check during working hours.
  - 10.Senior workers do not receive the wage increases they are entitled to, as per the the factory's government-approved wage scale.

#### Local Law or Code Requirement

Decree No. 60/2013/ND-CP on Detailing Clause 3 Article 63 of the Labor Code on Implementing the Democracy Regulation at Grassroots at the Working Places (2013), Art. 6; Decision 1629/1996/LĐTBXH; Decree No. 05/2015/ND-CP on Defining and Providing Guidance on the Implementation of a Number of Contents of the Labor Code (2015), Art. 25, Art 14; Decree No. 49/2013/ND-CP on Detailing the Implementation of a Number of Articles of the Labor Code on Wages (2013), Art. 7, Art.14; Labor Code No. 10/2012/QH13 (2013), Art. 97, Art.48, Art.111, Art.151 Law No. 58/2014/QH13 on Social Insurance (2014), Art. 32; Labor Code 2013. Art 111.1.b, Art 116.1, Art 186.3; FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.16, ER.19, and ER.22; Nondiscrimination Benchmark ND.3 and ND.8; Hours of Work Benchmarks HOW 11, HOW.16, HOW.18; Compensation Benchmarks C.1, C.5, C.6, C.7 C.14, C.15, C.16, and C.17)

#### Recommendations for Immediate Action

- 1.Properly calculate the adequate night overtime premium in the compensation procedure for overtime.
- 2.Pay terminated and resigned workers any severance payment to which they are entitled, as per legal requirements.
- 3.Include maternity leave in the employment duration when calculating severance payments.
- 4.Provide all cutting workers the annual leave (14 days) to which they are entitled.
- 5.Cease deducting sick leave and funeral leave from workers' annual leave.

6. Compensate probationary workers the additional amount equivalent to the premiums for the mandatory social insurance, health insurance, and unemployment insurance as well as their annual leave, as legally required.
7. Record all time worked and compensation in the payroll records.
8. Do not deduct from workers' attendance bonus for legally entitled leaves. Ensure that pregnant workers are able to take prenatal check-ups during working hours, as needed and legally permitted.
9. Pay eligible cutting operators a premium of at least 5% of their wages for the heavy and hazardous allowance.
10. Provide senior workers with annual wage increases, as per the government registered and approved wage scale.

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. Weekly working hours at the factory exceeded 60 hours in April and May 2016. Weekly hours were as high as 70.5 (including Sunday work) and 62.5 (excluding Sunday work). However, as the factory does not record Sunday work on the time cards, actual weekly working hours could not be confirmed.

Overtime hours in March and May 2016 are in excess of the legal limit of 30; workers worked up to 34.5 hours of overtime.

2. The factory does not keep accurate and authentic records of working hours; Sunday work has not been recorded on the punching time card system. It was noted that sometimes workers came to work on Sunday to work on an urgent shipment or to receive the materials, but their time records did not show they worked on those Sundays. Sunday off-the-clock work was found in April 2016, as there were no corresponding time records or payrolls. The factory paid workers in cash for those off-clock overtime worked on Sunday. Therefore, it could not be verified if workers were provided a day (24 consecutive hours) of rest for every seven-day period.

3. Workers' actual working time or leaves could not be verified due to inconsistencies in working time records (between the provided time records and the production records) and leave records (between workers' testimonials and the leave records). The factory maintains two different leave records, with different information and dates on each record. Additionally, in one case, a worker took leave for five days in March 2016 to take care of his wife while she was delivering their baby, but his time card showed him working on those days.

4. The working-hours' records do not contain the identification of elderly, pregnant, or lactating women. As a result, elderly workers, workers who are seven-months or more pregnant, and those breast-feeding a child younger than one years old are working excessive hours as shown on the time records provided. They regularly work eight hours a day, 48 hours a week as well as overtime. These workers are only legally permitted to work seven hours a day, up to 40 hours a week, and no overtime

5. Break time for the second shift of workers in the printing section is only 30 minutes, which is shorter than the 45-minute break in the government-registered company regulation and legal requirement.

##### Local Law or Code Requirement

Decree No. 45/2013/ND-CP on Elaborating a Number of Articles of the Labor Code on Hours of Work, Hours of Rest, Occupational Safety and Occupational Hygiene (2013), Art. 3; Labor Code No. 10/2012/QH13 (2013), Art. 106, Art.108, Art.110, Art. 155 (1)(2), Art 166; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, and ER.23; Hours of Work Benchmarks HOW.1, HOW.2, HOW.3, HOW.4, and HOW.5)

##### FLA's Recommendations for Sustainable Improvements

1. Adopt a reliable and effective time keeping system to ensure that worker attendance and hours are accurately recorded.
2. Establish a system to identify workers who are elderly, pregnant, or nursing and provide them their legally required protection. Ensure that elderly workers, workers more than seven-months pregnant, and workers who are breastfeeding children younger than one do not work more than seven hours per day and 40 hours per week.
3. Provide workers at least one day off (24 consecutive hours of rest) for every seven-day working period.
4. Provide all workers, including those working the night shift, a 45-minute rest break, as per the company regulation and law.
5. Ensure workers do not work more than 30 hours of overtime per month, the legal limit.

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

##### Finding Explanation

1. The factory does not properly maintain the payment records of workers who have resigned or have been terminated. The termination decision, which is issued by the employer in cases of resignation and termination, does not list out all the payments and benefits workers are entitled to in their payout. As a result, the factory must search for all related payment documents to prove how the termination

payouts were paid.

2.The factory does not have any policies or procedures on Retrenchment.

#### Local Law or Code Requirement

Circular No.23/2014/TT-BLDTBXH, Art. 7; Decree No. 05/2015/ND-CP on Defining and Providing Guidance on the Implementation of a Number of Contents of the Labor Code (2015), Art. 14; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.16, ER.19, ER.32)

## FINDING NO.9

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Industrial Relations

##### Finding Explanation

- 1.The company has not set up either the quarterly Dialogue Regulations & Employee Meeting Regulations or annual Labor Conference, as required by law.
- 2.The factory does provide a meeting room for the union upon request, but there is no designated office with the necessary equipment for the union to conduct daily meetings or for the union representatives to perform their functions, as required by law.
- 3.Although the factory has posted the Collective Bargaining Agreement (CBA) on the bulletin board, as per legal requirement, the factory does not provide workers with a copy of the CBA.
- 4.The factory has a trade union under the Vietnam General Confederation of Labor (VGCL) that was established by 1990. However, there is no proof that workers were involved in the Labor Union Election. Instead of being elected by workers directly, union representatives were assigned by management, supervisors, and the federal Labor Union Department.
- 5.FLA Comment: Vietnam has not ratified ILO Conventions 87 or 98. Under Vietnamese law, all unions are required to affiliate with the single trade union, the Vietnam General Confederation of Labor (VGCL), which is affiliated with the Communist Party. With respect to such union monopolies, the ILO Committee on Freedom of Association has stated that “the rights of workers to establish organizations of their own choosing implies... the effective possibility of forming... [trade unions] independent both of those which exist already and of any political party.” Vietnam’s legal framework is therefore not compatible with the ILO Principles on Freedom of Association and, as such, all factories in Vietnam fail to comply with the FLA Code standard on Freedom of Association.

##### Local Law or Code Requirement

Decree No. 60/2013/ND-CP on Detailing Clause 3 Article 63 of the Labor Code on Implementing the Democracy Regulation at Grassroots at the Working Places (2013), Art. 10; Labor Code No. 10/2012/QH13 (2013), Art. 65; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16.2, ER. 25, and ER.26, Freedom of Association Benchmark FOA.1, FOA.2, FOA.10, FOA.11, and FOA.15).

## FINDING NO.10

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

- 1.The termination rules and payouts for terminated or resigned workers outlined in the disciplinary procedures of the employee manual (which is distributed to each worker) do not match those in the factory’s government-approved disciplinary procedures. The employee manual states the following: being late to work three consecutive days or accumulating more than 24 hours of tardiness in a month will result in termination without pay; workers who stop working on their first day of employment will not be paid for their hours worked; if workers are tardy five or more times a month, one day of unpaid leave will be counted or deducted from their pay; production or non-production workers (“official” and “unofficial” workers, respectively) with poor performance or slow productivity, as assessed by supervisors, will face wage deductions, wage reduction or termination. Those disciplinary practices, however, were not listed in the approved and registered company disciplinary regulations.
- 2.The factory suspends wage increases for six months as one of its disciplinary methods.
- 3.The factory has a monetary deduction policy which it applies to the contracted security guards, as per the notice posted on the workfloor, which states that guards will be fined VND 100,000 (USD 5) if they do not properly conduct facility patrolling.
- 4.Although workers are aware of disciplinary actions taken against them, they do not sign the corresponding written records of such actions, as per the five sampled disciplinary records.
- 5.The factory posts all termination cases on the bulletin board. In 2016, the factory posed the cases of two workers terminated in January due to poor performance.

##### Local Law or Code Requirement

#### Recommendations for Immediate Action

- 1.Fairly and evenly apply the Workplace Conduct & Discipline policies and procedures.
- 2.Discontinue all monetary disciplinary practices.
- 3.Ensure workers sign all written records of disciplinary action taken against them.
- 4.Discontinue the public posting of disciplinary actions

### FINDING NO.11

#### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

#### Finding Explanation

- 1.There is no evidence that management reviews complaints and grievances and takes appropriate action. No grievances were filed in the suggestion boxes, and therefore there were no grievances on record. The factory does not track the resolutions of any grievances.
- 2.The factory does not maintain any documentation in relation to the grievance process.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.25)

### FINDING NO.12

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Environmental Protection

#### Finding Explanation

- 1.Waste water and hazardous waste are disposed of by the competent agencies. However, hazardous waste is not properly stored on-site in order to eliminate environmental impact; approximately 20% of the hazardous waste is stored outside (not in the designated waste storage area) and/or not properly labeled as hazardous waste.
- 2.The secondary containers in the chemical storage area are not properly designed in terms of terms of size and type in order to ensure no leakage or spillage.
- 3.The empty chemical containers are kept together with other industrial waste in the old stock warehouse instead of in the designated hazardous waste warehouse.

#### Local Law or Code Requirement

Circular No. 36/2015/TT-BTNMT, Appendix 2.A.3; Decree No: 38/2015/NĐ-CP, Art. 4.3; Environmental Law No. 55/2014/QH13, Art.68; Decree No. 38/2015/NĐ-CP, Art. 4, 5 and 7 Circular No. 28/2010/TT-BCT, Art. 7; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.9, and HSE.10)

#### Recommendations for Immediate Action

- 1.Properly store hazardous waste.
- 2.Provide secondary containers that are sufficiently sized to prevent leakage and spillage.
- 3.Store empty chemical containers in the designated hazardous waste warehouse.

### FINDING NO.13

#### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

- 1.Fire extinguishers are installed around the production area, chemical warehouse, material warehouses. However, fire extinguishers were missing in the waste storage and hazardous waste storage area.
- 2.The factory conducts inspections of the fire extinguishers on a weekly basis, as per the internal inspection records which showed that

- all fire extinguishers were internally checked on August 15, 2016 (the assessment date). However, it was observed that about 50% of the fire extinguishers had inspection certificates (issued by a qualified external agency) which expired March 1, 2016.
- 3.The factory does not maintain the fire exit aisles in the scrap paper storage area. Additionally, the closer of the two exits in the chemical mixing area is blocked by scrap paper bulk (the other exit is located at the other end of the production building).
  - 4.The floor of the exit path outside the production building, which runs from the printing section to the packing section, has holes which may cause workers to trip, obstructing evacuation and/or causing injury.
  - 5.The factory has not conducted a fire drill during the night shift.
  - 6.The fire alarm system is not automatic (it is manual) or centralized, nor does it have a back-up battery.
  - 7.The stock of the finished goods and materials are stacked too high, blocking the sprinkler system.
  - 8.The smoke detector and sprinkler system have not been inspected by the authorized and competent agency.
  - 9.The fire extinguisher in the generator room is not mounted.

#### Local Law or Code Requirement

Circular No. 9/TT-BYT guiding healthcare for laborers at small and medium-size enterprises (2000), Appendix 2; Decision No. 2726/BKHCN on TCVN 3890:2009 Means of Fire Prevention and Fighting for Home and Work - Equipment, Layout, Inspection And Maintenance (2009), Articles 4, 5, and 6; Decree No. 79/2014/NĐ-CP, Art. 21; Law No. 84/2015/QH13, Art 18; TCVN 2622 on Fire prevention and protection for buildings and structure - Design requirements (1995), Art. 7; TCVN 5738:2001 on Automatic Fire Alarm System – Technical Requirements (2001), Art. 8.1; TCVN 5760:1993 on Fire Extinguishing System - General Requirement for Design, Installation and Utilization (1993), Art. 3.12; TCVN 5738:2001 on Automatic Fire Alarm System – Technical Requirements (2001), Art. 9; TCVN 7435-1:2004 on Fire Protection - Portable and Wheeled Fire Extinguishers. Part 1: Selection and Installation (2004), Art. 5; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.4, HSE.5, and HSE.6)

#### Recommendations for Immediate Action

- 1.Implement a fire protection plan and properly maintain fire equipment.
- 2.Equip the waste storage and hazardous waste storage area with fire extinguishers.
- 3.Regularly inspect all fire equipment to ensure all are in good working condition. Maintain proper inspection records.
- 4.Keep all exits and aisles clear at all times for safe evacuation.
- 5.Arrange fire drills for all shifts to give all workers the opportunity to practice how to handle an emergency.
- 6.Install a centralized and automatic fire alarm system which is equipped with a backup battery.
- 7.Stack materials or goods no closer than 0.5 meters from sprinkler nozzles
- 8.Commission a competent agency to inspect the fire alarm and smoke detectors at least twice per year.
- 9.Mount all fire extinguishers and monitor regularly for compliance.

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

- 1.The factory does not provide workers who are working with glue in the edge gluing area with the proper PPE (gloves and goggles).
- 2.The chemical containers in the old stock warehouse are not equipped with labels or MSDSs.
- 3.There is no shower station installed in the chemical usage and storage area.
- 4.The MSDS for the ink in the chemical warehouse is not adequate, as it only includes two of the 16 necessary sections. The MSDS for Glue #277 is not in the local language.
- 5.The eye wash stations installed are not for industrial use. They are the hand made with improper nozzles installed, which are not correctly positioned to wash the eyes.
- 6.Although the factory has written procedures to identify the risks for workers who are pregnant or recently gave birth to prevent them from working in hazardous conditions, the procedures were not implemented properly and thus pregnant workers are still exposed to hazardous chemicals. For example, pregnant workers work in the edge gluing section, where hazardous chemicals are used.

## FINDING NO.15

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

- 1.The factory has not established a lockout-tagout (LOTO) procedure, including a list of equipment or machines requiring the procedure. As a result, while repairing a printing machine with an electrical problem, the maintenance team neither removed the machine from the work floor or implemented LOTO, and it therefore posed a risk to machine operators.

2. Standard Operating Procedures (SOPs) have been established for some processes and equipment, but not all.
3. The factory has placed the same safety operational instruction on different types of cutting machines. Additionally, the touch-screen operational indicators of the cutting machines are not in the local language.
4. The printing machines are not equipped with machine guards. Furthermore, the factory does not keep a list of machines which need guards
5. One of two underground water tanks used for fire extinguishing was not covered, which poses a risk, as the tank is located in an area of the factory that is accessible to all workers.

#### Local Law or Code Requirement

Circular 04/2014/ TTBLD, Art 6.1; Decree No.: 14/2014/ND-CP, Art.5.4; Labor Code No. 10/2012/QH13 (2013), Art. 138; Law No. 84/2015/QH13, Art 16; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.7, HSE.8, HSE.13, and HSE.14)

#### Recommendations for Immediate Action

1. Establish a lockout-tagout procedure. Create and maintain a list of equipment and machines requiring the procedure during any maintenance and/or repair.
2. Remove all machines or equipment with electrical problems from production until they are completely fixed. Implement LOTO when necessary.
3. Post the correct safety operational instructions in local language on all machines and equipment.
4. Install machine guards on all machines which require guards.
5. Cover all underground tanks to protect workers from accidents.

## FINDING NO.16

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. There is no ventilation in the paper counting area and printing area as there is no ventilation system or fans. Workers reported that they feel hot working there due to lack of ventilation, and therefore do not turn on the lights to prevent the area from getting hotter. As a result, the paper counting section was not illuminated.
2. The first aid kits are missing the following supplies: gloves, forceps, tourniquets, elastic bandages, and triangle bandages.
3. There are no bathrooms or a menstruation room, as legally required.
4. There are an insufficient number of toilets for male workers: there are only two toilets for 72 male workers.
5. There are no rooms for lactating workers to pump and store breast milk in the factory, as legally required.
6. The toilets are not sanitized, are smelly and have standing water. The toilets are missing supplies such as toilet paper and soap. There are no wash basins in the toilets.
7. The drinking water container in the packing section is not closed in order to prevent contamination. In the same section, the water was not clean and there was dust inside the container. Non-potable water is not labeled.
8. The factory does not maintain an incident report and submit it to the labor department ever six months, as legally required.
9. The factory does not conduct health monitoring for some special cases as required by doctors. The factory also does not track workers' illnesses.
10. The factory has not covered drainage ditches around the production building.
11. The factory has not conducted the working condition inspection every year, as required. The last two were conducted July 2014 and August 5, 2016 as per the provided records. At the time of the assessment, the results for the August 2016 inspection had not yet been issued and therefore were not available for review.
12. The factory does not conduct a semi-annual health examination for workers in hard and hazardous working conditions (e.g., printing, maintenance, paper cutting operator, etc.)
13. The air compressor operator was not trained or certified.
14. Food sampling is not kept for 72 hours.

#### Local Law or Code Requirement

Circular No. 9/TT-BYT guiding healthcare for laborer at small and medium-size enterprises (2000), Art. 3(11); Circular No. 27/2013/TT-BLDTBXH on Providing for Occupational Safety and Hygiene Training (2013), Art. 4, Art. 5, Art.7; Decision No. 3733/QD-BYT on Hygiene in the Workplace (2002), Art. I(4); Decree No.: 14/2014/ND-CP, Art. 5; Decree No. 85/2015/ND-CP on Detailing a Number of Articles the Labor Code in Terms of Policies for Female Employees (2015), Art. 7; Labor Code No. 10/2012/QH13 (2013), Art. 154; Law No. 84/2015/QH13 on Occupational Safety and Hygiene (2015), Art. 7, Art.16, Art 18, and Art 21; QCVN 01:2009/BYT on National Technical Regulation On Drinking Water Quality (2009), Part III (Water Quality Monitoring Regime); FLA Workplace Code (Nondiscrimination Benchmark ND.8; Health, Safety & Environment Benchmarks HSE.1, HSE.3, HSE.4, HSE.6, HSE.13, HSE.19, HSE.20, HSE.22, and HSE.23)

#### Recommendations for Immediate Action

1. Ensure working areas are well ventilated.

- 2.Ensure the entire work floor is illuminated when in operation.
- 3.Properly stock all first aid kits with the necessary supplies.
- 4.Provide the legally required number of bathrooms and menstruation rooms.
- 5.Provide a sufficient number of toilets for workers and (at least one toilet for every 20 workers)
- 6.Provide rooms for collecting and storing breast-milk.
- 7.Regularly clean and sanitize toilets and eliminate any standing water. Provide toilets with supplies (toilet paper and soap) and wash basins.
- 8.Ensure drinking water containers are sealed to prevent contamination. Ensure drinking water is clean and label all non-potable drinking water sources.
- 9.Conduct the required incident reports and file reports with the authorities.
- 10.Monitor and maintain records of workers' illnesses.
- 11.Cover all drainage ditches along the production building to reduce the risk to workers.
- 12.Conduct the working condition inspection on a yearly basis.
- 13.Provide semi-annual health checks to workers working in the heavy and hazardous condition.
- 14.Train and certify the air compressor operator.
- 15.Keep food samples for 72 hours, as per international standard.