




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 4887807	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 4891309
Business name (Company name):	BINH THANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY CONG TY CO PHAN SAN XUAT KINH DOANH XUAT NHAP KHAU BINH THANH		
Site name:	BINH THANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY CONG TY CO PHAN SAN XUAT KINH DOANH XUAT NHAP KHAU BINH THANH		
Site address: <i>(Please include full address)</i>	334A Phan Van Tri, Ward 11, Binh Thanh District, Ho Chi Minh City	Country:	Vietnam
Site contact and job title:	Ms. Doan Thi Cam Nhung – Compliance Director		
Site phone:	84-28 35162288	Site e-mail:	nhungdoan@gilimex.com
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	30 and 31 October 2020		

Audit Company Name & Logo:  Total Quality. Assured.	Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> BINH THANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): None

Auditor Team (s) (please list all including all interviewers): Anh Tran, Lien Pham, Ngoc Le

Lead auditor: Anh Tran APSCA number: RA 21703020

Lead auditor APSCA status: In good standing

Team auditor: Lien Pham – Auditor – APSCA number: ASCA 21704006

Ngoc Le – Auditor – APSCA number: RA 21700496

Interviewers: Anh Tran, Lien Pham, Ngoc Le APSCA number: RA 21703020, ASCA 21704006, RA 21700496

Report writer: Anh Tran

Report reviewer: Gangadharaiah.MK/ Reviewer

Date of declaration: 31 October 2020

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			NC Findings Only (note to auditor, summarise in as few words as possible NC's only)	
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE		

0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	• None observed
0B	Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
3	Safety and Hygienic Conditions	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	1	0	<p>NC: There was 1 non-compliance found on the periodic audit on 30 and 31 October 2020. However, the facility has corrected it immediately on the audit date. Please refer "Corrective Action Plan – Observations" section for related information</p> <p>OB: Based on the facility tour, it was noted that 1 out of 1 chemical tank (disinfectants) at wastewater treatment room was not provided with secondary containment</p> <p>Remark: The facility has corrected it immediately on 30 October 2020 by provided</p>

									secondary containment to the mentioned chemical at wastewater treatment room
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• None observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	• Not applicable
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
General observations and summary of the site:									

- This annual audit was conducted by Intertek Vietnam Limited. Three auditors assessed / verified the facility's operations against the ETI Base Code and local legislations on a sampling basis in two day.
- At 08:31 on 30 October 2020, two auditors entered the facility then held an opening meeting according to the ETI Base Code and SMETA guidance. The facility representatives, Ms. Pham Thi Thu Huyen – Compliance leader and Mr. Dao Si Trung – Trade Union Chairman, Mr. Thanh Vinh – Compliance Staff, Ms. Thanh Nga – HR Staff, Ms. Van Anh – HR Staff, Mr. Van Ky – HSE Staff, Mr. Buu Loc – Compliance Staff, Mr. Thien Tinh – HSE Staff attended in the opening meeting. They stated that the facility would be cooperative with this audit.
- At present, the facility has a total of 1327 employee (925 female employees and 402 male employees). There are 1051 production employees and 276 non-production employees. All workers in the facility are Vietnamese. There are both male and female employees in management and among supervisors. The distribution was Male 50%, Female 50%.
- The youngest employee on site was 16 years old. The contract, payroll and working hours of this young worker was checked which was in compliance with local law requirement.
- The products manufactured at this site is Backpack and handbag.
- The facility has no peak season.
- The site did not use any subcontractor or home worker, all processes were completed in the facility.
- 52 employees were randomly selected for interview, they were interviewed as 8 group of 4 employees and the balance of 20 employees was interviewed individually.
- Working hours: The daily normal working time for production employees is from 7:30 to 16:30, break from 11:30 to 12:30 without pay. The daily normal working time for office staffs is from 7:30 to 17:15, break from 11:30 to 12:30 without pay. The normal working hours of production employees is six (6) days a week and 48 hours per week and Sunday is designated as rest day. The normal working hours of office staffs is 48 hours per week and Sunday is designated as rest day. Office staffs have 2 Saturday designated as rest day per month and only half day worked for the other 2 Saturday per month.
- Fingerprint system is being used to record and monitor the working hours of the employees.
- Normal overtime rate was 150% of contracted basic wage for normal working day and 200% of contracted basic wage for rest day.
- Employees' wages are calculated based on monthly-rate for office staffs and piece-rate for production staffs and paid via bank transfer (MBbank) on 05th of every month. The minimum basic salary paid by the facility is VND 4,645,000 per month from January 1, 2020 while the legal law minimum wage is VND 4,420,000 per month. Pay slip in local language is provided to each employee in each payment period.
- 12 months of payroll and attendance records from October 2019 to September 2020 were provided for review. A total of 52 records of September 2020 (current month), 52 records of February 2020 (random month) and 52 records of November 2019 (random month) were reviewed in this audit.

NC's summary:

There was 1 non-compliance found on the periodic audit on 30 and 31 October 2020. However, the facility has corrected it immediately on the audit date.

Please refer "Corrective Action Plan – Observations" section for related information

Observation's summary:

Based on the facility tour, it was noted that 1 out of 1 chemical tank (disinfectants) at wastewater treatment room was not provided with secondary containment

Remark: The facility has corrected it immediately on 30 October 2020 by provided secondary containment to the mentioned chemical at wastewater treatment room

GE

None observed

Additional auditor's comment:

Further, there was no case or any affected case of Covid-19, no day off or wage deduction due to Covid-19 noted in facility up to audit date and the facility has good practice on protection as well as preventive measure for workers to avoid this pandemic and following local authority's procedure and regulation. All visitors and employees must be measured temperature with record, worn mask and hand washing with sanitizer before entering the facility as well as they must be worn mask during working in the facility to prevent COVID-19. Besides, the facility posted the 7 steps regarding how to protect the health from COVID-19 and the hand washing guidance throughout the facility for employees and visitors for preventing COVID-19.

**Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

Site Details

Site Details		
A: Company Name:	BINHTHANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY	
B: Site name:	BINHTHANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY	
C: GPS location: (If available)	GPS Address: 334A Phan Van Tri, Ward 11, Binh Thanh District, Ho Chi Minh City, Viet Nam	Latitude: Longitude:
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Establishment license number is 0302181666 issued on 29 December 2000, latest update on 21 October 2020 (valid for 50 years).	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Backpack and handbag	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>BINHTHANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY is located at 334A Phan Van Tri, Ward 11, Binh Thanh District, Ho Chi Minh City, Viet Nam. The main products manufactured by the facility is Backpack and handbag.</p> <p>This facility has started its operation at the existing location since 2000. There is no dormitory in the facility. The total land area was around of 12,600 sq. Meters, occupied land area was about 5,305 sq. Meters</p> <p>The facility had 4 buildings, including:</p> <ul style="list-style-type: none"> + one 3-storey building for Material warehouse, Sewing, packing, finished goods warehouse + one flat building is under re-construction + one 2-storey building for office and eating area + one 3-storey building for office <p>All buildings were made of concrete and steels.</p>	

	Building no. 1	Description	Remark, if any
	Ground floor	Sewing, packing, finished goods warehouse	The building was made of concrete and steels.
	Floor 1	Sewing	The building was made of concrete and steels.
	Floor 2	Material warehouse	The building was made of concrete and steels.
	Is this a shared building?	NA	NA
	Building no. 2	Description	Remark, if any
	Ground floor	Currently under re-construction	
	Is this a shared building?	NA	NA
	Building no. 3	Description	Remark, if any
	Ground floor	Office	The building was made of concrete and steels.
	Floor 1	Eating area	The building was made of concrete and steels.
	Is this a shared building?	NA	NA

	Building no. 4	Description	Remark, if any
	2 nd floor	Office	The building was made of concrete and steels.
	1 st floor	Office	The building was made of concrete and steels.
	Ground floor	Office	The building was made of concrete and steels.
	Is this a shared building?	NA	NA
<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: No structural integrity issues (large cracks) observed</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: The facility had structural engineer evaluation.</p>			
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		
H: Month(s) of peak season:	The facility has no peak season		

(if applicable)	
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main products manufactured by the facility is backpack and handbag</p> <p>The main production processes are listed as follows: Material warehouse, cutting, sewing, inspection, packing and finished goods storage.</p> <p>There are 25 production groups in the facility.</p> <p>Main equipment used in the facility are:</p> <ul style="list-style-type: none"> - Metal detector: 10 (tunnel type: 2; hand detector: 8) - Punching machine: 10 - Molding cutting machine: 5 - Heat cutting machine: 5 - Sewing machine: 569 - Computerized embroidery machine: 1
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name): Trade Union of BINH THANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation There is no dormitory in the facility
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers There is no dormitory in the facility
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details: There is no dormitory in the facility

Audit Parameters			
A: Time in and time out	Day 1 Time in: 8:31 Day 1 Time out: 17:10	Day 2 Time in: 8:35 Day 2 Time out: 17:03	Day 3 Time in: NA Day 3 Time out: NA
B: Number of auditor days used:	4.5 man-days (2 auditors on 30 October 2020; 3 auditors on 31 October 2020)		

C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause
G: Who signed and agreed CAPR (Name and job title)	Ms. Doan Thi Cam Nhung – Compliance Director
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I: Previous audit date:	13 September 2018
J: Previous audit type:	Periodic
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Not applicable. There is no worker representative in the facility.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	NA		

Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	402	0	0	0	0	0	0	402
Worker numbers – female	925	0	0	0	0	0	0	925
Total	1327	0	0	0	0	0	0	1327
Number of Workers interviewed – male	20	0	0	0	0	0	0	20
Number of Workers interviewed – female	32	0	0	0	0	0	0	32
Total – interviewed sample size	52	0	0	0	0	0	0	52

A: Nationality of Management	Vietnamese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: ___Vietnamese____ B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please describe how this may vary during peak periods: NA – There was no peak season
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 ___100%____ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration (management information)	D: _____% workers on piece rate D1: ___100____% hourly paid workers D2: _____% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: ___100____% monthly paid D6: _____% other D7: If other, please give details	

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	8 groups of 4
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 10 Female: 10
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	None
I: What did the workers like the most about working at this site?	Stable working hours and payment, friendly management.
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	Interviewed workers satisfied with the working.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please give details:	
M: Attitude of workers: (Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	

52 employees were randomly selected for interview; they were interviewed as 8 group of 4 employees and the balance of 20 employees were interviewed individually. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationship with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions adopted. They were able to complain directly to their supervisors, and felt free to give their general concerns to their worker representatives who would take it to the management.

N: Attitude of worker's committee/union reps:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

The Trade Union was cooperative and supportive during the audit. Based on the interview with the Trade Union chairman, association activities were support by the facility management.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The facility management showed a cooperative and supportive attitude during the audit. Auditors were allowed to visit all places in the facility. All document requested were provided on time. At the closing meeting.

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to NC-table\)](#)

0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The facility has a human right policy and it was posted at the bulletin board.
- Based on document review, Ms. Le Thi Van Anh – HR Vice Manager is responsible for monitoring the implementation of Human right in the facility.
- All suppliers are required to sign the commitment to follow the human rights when signing the business contract with the facility.
- Employees are communicated on the human rights on the orientation training and on annual basis.
- Based on interviewed employees, all of employees were aware of human rights.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Human right policy

- Training record
- Employees' interviews

Any other comments: Nil

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It stipulates complying with ETI Code and respect human rights
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Le Thi Van Anh – HR Vice Manager
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter, latest update on 02 January 2018.
D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees' private information such as personal identity information managed by HR. Without permission, nobody can review.

Non-compliance:

1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): Not applicable	Objective Evidence Observed: Not applicable

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2019 17 %	A2: This year 2020 20 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	5%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2019 0% The facility did not have days lost through job absence in this year.	C2: This year 2020 0% The facility did not have days lost through job absence in this year.
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period /	0%	

[(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month		
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accident was recorded by the HR staff	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2019 Number: 0	F2: This year: 2020 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0%	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 2019 Number: 0	H2: This year: 2020 Number: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0%	I2: 12 months 0%
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0%	J2: 12 months 0%

0B: Management system and Code Implementation

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0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
0.3 Suppliers are expected to communicate this Code to all employees.
0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The facility has a sound Ethical Trade system.
- ETI Code of Conduct posted in local language. Labor regulation is posted at the bulletin board.
- Based on document review, Ms. Le Thi Van Anh – HR Vice Manager responsible for monitoring the implementation of ETI Code in the facility.
- All suppliers are required to sign the commitment to follow the ETI Based Code when signing the business contract with the facility.
- Employees are communicated on the ETI code on the orientation training and on the annual basis.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. ETI Code of Conduct posted in local language.
2. Labor regulation is posted at the bulletin board.
3. Assignment letter, social compliance policies and procedures, training document and records.

Any other comments: N/A

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: N/A
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility has the policy on social responsibility include the policy on forced labor, child labor, discrimination, harassment & abuse.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	There was no child labor in the facility. The youngest employee on site was 16 years old. The contract, payroll and working hours of this young worker was checked which was in compliance with local law requirement. There was no reported case of forced labor, discrimination, harassment & abuse.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Terms of forced labor, child labor, discrimination, harassment & abuse were regulated in the internal regulation. The internal regulation was communicated to all employees by posting on the bulletin board.

<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: During interview with employees and management representative, it was noted that the managers and workers understand the terms of forced labor, child labor, discrimination, harassment & abuse which were regulated in the internal regulation.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F1: Please give details: The site has ISO 9001:2015 for the period from 8 March 2020 to 8 March 2023</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details: The HR Department is in charged on recruitment, monitoring of working hours, termination process, health, safety and environment. Accounting department is in charged of remaining issues.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: Please give details: Ms. Le Thi Van Anh – HR Vice Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>I1: Please give details: Policy stipulate that ensure all worker information is confidential</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>J1: Please give details: All employees' private information such as personal identity information managed by HR. Without permission, nobody can review.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>K1: Please give details: The risk assessments were conducted to evaluate policy and procedure effectiveness on 2 January 2020.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>L1 Please give details: The facility has a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks</p>

M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had a policy which require labour standards of its own suppliers
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had all required land rights licenses and permissions.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory had systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The factory had a written policy and procedures specific to land rights.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The factory had all required land rights licenses
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The factory had all required land rights licenses
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No illegal appropriation of land for facility building or expansion of footprint.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

1: Freely Chosen Employment

[\(Click here to return to NC-table\)](#)

ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The factory has a policy which prohibits forced labor and this was available for review.
- There was a non-formalized application procedure which states that workers must present their ID's for proof of age during the job interview and only copies must be kept in the personnel files and the original given back to the workers.
- No prison labor or forced labor is noted during the audit.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- All the management staff and security guards are given respective job descriptions which clearly stated their daily duties in compliance with the general concepts of the local laws.
- All 52 selected employees confirmed that they worked at the facility voluntarily and no enforcement to work overtime and the overtime forms are signed by workers before overtime performance.
- Employee's salaries are paid on 05th of each month via bank transfer. During the employment, the facility did not deduct or withhold any money from the employee's monthly salary. No deposit is required upon hiring.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Personnel files
- Resignation records
- Factory rules
- Management and workers' interviews
- Contracts for security guards
- Recruitment policy and announcement

Any other comments: N/A

A: Is there any evidence of retention of original documents, e.g. passports/ID's

☐ Yes

☒ No

If Yes please give details and category of workers affected

B: Is there any evidence of a loan scheme in operation

☐ Yes

☒ No

If yes please give details and category of worker affected

C: Is there Any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: Nil
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement'. F: Is there a modern-day slavery statement published	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: Nil <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: Nil
H: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: The facility did not use any subcontractors in its supply chain. Therefore, there is no risk of forced / trafficked / bonded labour <input checked="" type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: The facility had recruitment procedure to reduce the risk of forced / trafficked labour.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to NC-table\)](#)
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ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The Trade Union of BINHTHANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY has been established on 28 May 2015 with 10 members.
- Based on employees' interviews, all selected employees said they are given the full rights to join any legal and external associations, and all of them are labour union members. And they have all rights in wages and benefits and working conditions as others.
- Interviewed workers confirmed that the members of the workers committee had been elected by fellow workers.
- CBA established on 29 June 2018

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Minutes of the works committee meeting
- Site policy on freedom of association
- Interview with workers
- Interview with workers committee

Any other comments: None

A: What form of worker representation/union is there on site?

- ☒ Union (name): Trade Union of BINHTHANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY
- ☐ Worker Committee
- ☐ Other (specify)
- ☐ None

B: Is it a legal requirement to have a union?

- ☒ Yes
- ☐ No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Describe: Suggestion box, hotline number D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Supplier provide adequate facilities to allow the Union to conduct related business	
F: Name of union and union representative, if applicable:	Trade Union of BINH THANH IMPORT EXPORT PRODUCTION AND TRADE JOINT STOCK COMPANY	F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	NA	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Mr. Dao Si Trung / Trade Union Chairman
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 28 May 2015
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many:	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The Union would hold the meeting quarterly within at least 60 minutes per time. The meeting minutes was posted at the bulletin board for all employees to read. The meeting report was provided for review. The union fee will be deducted from monthly employees' salary with their agreement. The facility would also pay a certain amount to the Union activity monthly. The Union representatives are requested to involve and join all meetings related to employees' benefits/ wage and disciplinary action. The last record was on 21 October 2020 related to gifts for employees 'wedding/ funeral and Trade union activities.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

If Yes , what percentage by trade Union/worker representation	M1: 100% workers covered by Union CBA	M2: ____% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

3: Working Conditions are Safe and Hygienic

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ETI

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

1. General Health and Safety management

- Mr. Huynh Tan Tien has been assigned to health, safety and environment issues in the facility.
- The general housekeeping is clean and tidy. A cleaning team is in charge of cleaning and hygiene of the workshops.

2. Fire Safety

- The fire drill with fire police was conducted on 27 May 2020
- Firefighting team with 44 members were provided training with fire police on 22 to 23 May 2019
- A total of 127 fire extinguishers, 23 fire alarm buttons, 22 fire hose reels, 250 smoke detectors, sprinkler system and 05 fire water pumps were installed in the facility.
- Warning signs of "No smoking" and "No fire" were posted in the facility.
- Evacuation routes with arrows for direction were painted on the floor in all production sections.

3. Electrical safety

- There are competent electricians at the site and their training certificates were available for review.

4. Medical services.

- Fifteen (15) first aid kit was installed in the facility.
- 27 first aid responders were provided with training on 21 May 2020 with certificates valid for 1 year.

5. Machine safety

- All machines were installed with safety guards.
- There were 06 air compressor that was inspected for safety before being used with valid certificate until 4 January 2021
- There were 06 forklift that was inspected for safety before being used with valid certificate until 4 January 2021
- There were 02 crane that was inspected for safety before being used with valid certificate until 4 January 2021, 7 December 2022
- As noted from documents review and facility tour, maintenance plans and maintenance records of all machines are available for review.

6. Chemical safety

- MSDS in local language for chemical (Machine oil, diesel oil) was available in chemical storage area.
- Eye-wash stations were provided at chemical storage and usage area.
- PPE was provided for employees who work with chemicals.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Health and safety procedures, instructions and training records.
- First aid training records, medical logbook and accident records, medical check-up records.
- Fire-fighting and prevention project, fire drill and fire-fighting training records.
- Drinking water test records.
- Maintenance plan and records for machines, fire-fighting equipment, electricity.
- Chemical handling, storage procedures
- Machine inspection certificates.
- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Building structure safety certificate
- Trained first aider register
- Interviews with workers and H&S committee members
- Accident reports
- Sanitation permit for kitchen
- Health certificates for kitchen staff
- Potable water testing certificates
- Interviews with H&S manager

A: Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: All employees receive regular and recorded health & safety training.
B: Are the policies included in worker's manual?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: During documents review and workers' interviews, the worker was provided with the employee's manual and the training before working in the facility.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: There was no structural additions without required permits
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: All visitors were required to wear provided PPE during facility tour.

<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: There were medical room, 02 nurses and 27 first aid responders were provided with training on 21 May 2020 with certificates valid for 1 year</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: There were 02 nurses and 27 first aid responders were provided with training on 21 May 2020 with certificates valid for 1 year</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: The facility did not provide worker transport.</p>
<p>H: Secure personal storage space is provided for workers in their living space and is fit for purpose</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: Not applicable. There was no dormitory in the facility.</p>
<p>I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The facility has conducted the risk assessment regularly. The last assessment was in March 2020 and it was available for review.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe: The facility has obtained the environment impact assessment report, environmental impact approval and environmental protection acceptance check.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe: The facility does not use any banned chemicals.</p>

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: Based on the facility tour, it was noted that 1 out of 1 chemical tank (disinfectants) at wastewater treatment room was not provided with secondary containment Remark: The facility has corrected it immediately on 30 October 2020 by provided secondary containment to the mentioned chemical at wastewater treatment room Local law or ETI requirement: In accordance with Article 30 of Law on Chemical No. 06/2007/QH12 dated on November 21, 2007 of the XII National Assembly: The facility shall provide safety measurement to ensure safety storage and usage of chemicals In accordance with ETI Code 3.1: A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: It is recommended that proper secondary containment shall be provided to all chemical	Objective evidence observed: - Site tour - Employee interview - Management interview - Obs photo 01

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

4: Child Labour Shall Not Be Used

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ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- There is a formal procedure for checking ages of workers at application stage, and this includes checking original ID's while the workers attended the job interview and their original ID's are copied and given back to them whilst copies only are kept in their personnel file.
- Based on provided copies of national ID cards of employees, none showed child labor. The youngest worker present was 16 years old. The contract, payroll and working hours of this young worker was checked which was in compliance with local law requirement.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Personnel files 52 selected workers
- Latest list of employees
- Anti-child labor policy
- Recruitment procedure

A: Legal age of employment	16 years old
B: Age of youngest worker found:	16 years old
C: Children present on workfloor but not working at time of audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0.4 %
E: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y give details There was no worker under 18 subject to hazardous work assignments

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

5: Living Wages are Paid

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ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The facility applies monthly wage for all employees. Minimum wages paid by the facility to employees are VND 4,645,000 per month effective since 1 January 2020 onwards, which are in compliance with the local law and higher than the legal required minimum wage VND 4,420,000 per month.
- All employees are paid via bank transfer on 05th of every month. The pay-slip in local language is distributed together with each payment period to each employee.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Social, health and unemployment insurance were paid to 1300 eligible employees until September 2020.
- The 14 days of annual leave is sufficiently provided to all direct production employees and 12 days of annual leave is sufficiently provided to all indirectly production employees in the year.
- Total ten (10) holidays are provided and paid to all employees in the year.
- The sick and maternity leave allowance is paid correctly to all employees in timely basis.
- The severance allowance, wages and entitled benefits have been paid correctly to the resigned employees in compliance with local law.
- The maternity leave of 6 months was provided to all female pregnant employees with full pay.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Approved wage scale.
- The payrolls and attendant records from October 2019 to September 2020
- Annual leave records from October 2019 to September 2020
- Leave applicant records from October 2019 to September 2020
- Severance payment record from October 2019 to September 2020
- Social security payment records from October 2019 to September 2020
- Employee files and labour contracts of 52 selected employees.

Any other comments: N/A

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day 48 hours per Week	8 hours per day 48 hours per week	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 4 hours per day 30 hours per month.	In September 2020 1.5 hours per day 9 hours per week 28.72 hours per month In February 2020 1.5 hours per day 4.5 hours per week 16.5 hours per month In November 2019	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

		1.5 hours per day 9 hours per week 28.5 hours per month	
D: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: VND 4,420,000 per month.	VND 4,645,000 per month	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 150% of normal wage on regular day time, 215% on regular night time, 200% of normal wage for rest day, 400% of normal wage for holiday	The workers worked overtime and were paid 150% of normal wage on regular day time, 215% on regular night time, 200% of normal wage for rest day.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: If No , why not?		
C: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	52 selected samples in November 2019 (random month) 52 selected samples in February 2020 (random month) 52 selected samples in September 2020 (current month)	
D: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes , please give details: NA
E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If No , please give details: NA
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	Lowest Wages found: VND 4,645,000 per month	Please indicate the breakdown of workforce per earnings:

	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	0 % of workforce earning under min wage 0 % of workforce earning min wage 100 % of workforce earning above min wage
G: Bonus (amount specify)	Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i>	
H: What deductions are required by law e.g. social insurance? Please state all types:	<i>Employees should pay and be deducted from their monthly salary for insurance such as Social insurance: 8%, Health insurance: 1.5% and Unemployment insurance: 1% (total 10.5%)</i>	
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please describe Social insurance: 8%, Health insurance: 1.5% and Unemployment insurance: 1% (total 10.5%)	
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: During worker's interviews, they confirmed that they were paid according with the working time in facility.	
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:	
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:	
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: The facility don't have periodic reviews of wages.	

O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Workers are paid base on the regulated scale which was approved by authority on 13 January 2020
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

6: Working Hours are not Excessive

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

ETI

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

The regular working time is eight (8) hours per day and six (6) days per week.

- The facility has no peak season.
- Employees worked overtime voluntarily.
- There is no inconsistency found amongst time records, production records and security records.
- Based on the provided payrolls and time records, the overtime hours were noted as following:

In September 2020

1.5 hours per day
9 hours per week
28.72 hours per month

In February 2020

1.5 hours per day
4.5 hours per week
16.5 hours per month

In November 2019

1.5 hours per day
9 hours per week
28.5 hours per month

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Employees' interviews
- Management interview
- Local and national laws
- Factory policy on working hours
- Time records from October 2019 to September 2020
- Pay slips with recorded hours all workers interviewed
- Workers contracts
- 12 months hours records to establish highest and lowest hours over all employees
- Quality and production records to cross check hours
- Clinic records
- Daily production records
- Security logbooks

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:
None observed

Local law and/or ETI requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence observed: Not applicable

Observation:

Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable
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Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: Fingerprint system is used to monitor working hours				
B: Is sample size same as in wages section	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Details			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		NA			
E. Do any standard/contracted working hours defined in contracts/employment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Y please %detail hours, % and types of workers & affected and frequency Details:			

nt agreements exceed 48 hours per week		
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 consecutive days	
Standard/Contracted Hours worked		
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	In September 2020 1.5 hours per day 9 hours per week 28.72 hours per month In February 2020 1.5 hours per day 4.5 hours per week 16.5 hours per month In November 2019 1.5 hours per day 9 hours per week 28.5 hours per month
J: Combined hours (standard/contracted plus= total) 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total	70%	

workers on highest overtime hours		
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information <input type="checkbox"/> N/A	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information <input type="checkbox"/> N/A
		Labour contract, worker interview
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Please give details of normal day overtime premium as a % of standard wages: - 150% of normal wage on regular day time - 215% on regular night time - 200% of normal wage for rest day - 400% of normal wage for holiday
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	If yes, please describe % of workers & frequency: Workers are paid at the rate of 150% for overtime working hours
O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	
	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	
	Please explain any checked boxes in R above	
Q: Is there evidence that overtime hours	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

are being used for extended periods to make up for labour shortages or increased order volumes?	If yes, please describe
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

7: No Discrimination is Practiced

[\(Click here to return to NC-table\)](#)

ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Based on interviewed employees and management, there is no evidence of any discriminatory practices based on the race, religion, age, nationality, social association, sexual orientation, gender or disability.
- During the audit, all 52 selected employees confirmed they are treated with respect and dignity.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Anti-discrimination procedure on hiring, compensation, promotion and access to training are available during the audit.
- Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
- There was an internal grievance process, and all interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
- There was no evidence of sexual harassment.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- The hiring and termination procedure, leave application records and employee handbook.
- Payrolls
- Training records
- Attendance records
- Termination records

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: __50__ % Female __50__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	#: 25
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

Professional Development	
A: What type of training and development are available for workers?	Please give details: Health safety, Fire drill, Internal/External training to increase skill (if any)

B: Are HR decisions on e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details:
---------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed: Not applicable

8: Regular Employment Is Provided

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Based on reviewed documents and interviewed employees, all employees are interviewed and hired directly by the facility. They are given an orientation on the facility rules and regulations including labor issues, wages and benefits, working time, and health and safety. A labor contract is signed by both employee and employer after employee's probation period is passed.
- All workers were not required to sign blank papers, resignation letter etc.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- The hiring and termination practices (not formalized)
- Personal files

- Payroll records were provided for review.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:
None observed

Local law and/or ETI requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence observed:

Not applicable

Observation:

Description of observation: None observed

Local law or ETI requirement: Not applicable

Comments: Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed:

Not applicable

Responsible Recruitment

All Workers

A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- ☒ Terms & Conditions presented
☒ Understood by workers
☒ Same as actual conditions

If any are unchecked, please describe finding and specific category(ies) of workers affected:

C: Did workers' pay any fees, taxes, deposits or bonds for the

- ☐ Yes
☒ No

purpose of recruitment/placement?	If Yes Please describe details and specific category(ies) of workers affected
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other
C: If any checked, give details:	Not applicable

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	Not applicable	
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: NA Total number of (outside of local country) recruitment agencies used: NA	
C: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: NA	Observations
D: Are Any migrant workers in skilled, technical, or management roles Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input type="checkbox"/> No NA If Yes number and example of roles	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other
C: If any checked, give details:	None

Agency Workers (if applicable)	
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	And names if available: Not applicable
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details

<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe:</p>
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<p align="center">Contractors:</p> <p><i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p>	
<p>A: Any contractors on site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please describe finding: If Y, how many contractors are present</p>
<p>B: If Yes, how many workers supplied by contractors</p>	
<p>C: Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe finding:</p>
<p>If Yes, please give evidence for contractor workers being paid per law:</p>	

8A: Sub-Contracting and Homeworking

[\(Click here to return to NC-table\)](#)
[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Note to auditor on homeworking:

Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Note to auditor on subcontracting : auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

A site tour showed that it was noted that all production processes were presented in the facility. The facility did not use any sub-contractor or homeworker to support their activities.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Site tour (Calculation on total production and estimated capacity)
- Materials in/out records
- Management interview
- Worker interview

Non-compliance:

1. Description of non-compliance:

- ☐ NC against ETI/Additional Elements ☐ NC against Local Law
☐ NC against customer code:
None observed

Local law and/or ETI /Additional Elements requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence observed: Not applicable

Observation:

Description of observation: None observed

Local law or ETI/Additional elements requirement: Not applicable

Objective evidence observed: Not applicable

Comments: Not applicable

Good Examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed: Not applicable

Summary of sub-contracting – if applicable

☒ Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting

☐ Yes
☐ No
Please describe:

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

☐ Yes
☐ No
If **Yes**, summarise details:

C: Number of sub-contractors/agents used

D: Is there a site policy on sub-contracting?

☐ Yes
☐ No
If **Yes**, summarise details:

E: What checks are in place to ensure no child labour is being used and work is safe?

Summary of homeworking – if applicable

☒ Not Applicable please x

F: If homeworking is being used, is there evidence this has been agreed with the main client?

☐ Yes
☐ No
If **Yes**, summarise details:

G: Number of homeworkers

Male:

Female:

Total:

H: Are homeworkers employed direct or through agents?

☐ Directly
☐ Through Agents

I: If through agents, number of agents

J: Is there a site policy on homeworking?

☐ Yes
☐ No

K: How does site ensure worker hours and pay meet local laws for homeworkers?	
L: What processes are carried out by homeworkers?	
M: Do any contracts exist for homeworkers	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
N: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

9: No Harsh or Inhumane Treatment is Allowed

[\(Click here to return to NC-table\)](#)

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe: Any violations of Labour standards and H&S violations of Labour standards and H&S or any other grievances can be reported to the Trade Union representative or the local authority on labour. One (1) suggestion boxes was installed in the workshops for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>During interview with employees and Trade Union representative, it was noted that the workers know how to report violations of Labour standards and H&S or any other grievances.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>One (1) suggestion boxes Verbal exchange Trade Union discussion</p>
<p>D: Is there a grievance mechanism in place for:</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other</p> <p>Details: There is an internal process for grievance which a grievance box were installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and most of workers knew about this.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please give details</p>
<p>F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please give details</p>

G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details
H: Is there a published and transparent disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain
I: If yes, are workers aware of these the disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details
J: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Details:

- Based on the documentation review, it was noted that the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Workers' interviews confirmed that workers were aware of the disciplinary procedure, management interview, documents review, and workers interviews, there was a policy on Harsh Treatment.
- There is an internal process for grievance which grievance boxes was installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and most of workers knew about this.
- No deduction from wage and benefits is made because of any reason.
- Through the facility management and employees' interviews, it is noted that no case of abuse or discipline was happened in the facility and the disciplinary procedure of the facility was verbally warning and employees signed a slip to confirm they had understood the procedure.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- The relevant policy on prevention of harassment and abuse
- Training records
- Internal grievance procedure documentation

Any other comments: Nil

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Per document review, facility management representation and worker interview, all workers in the facility was Vietnamese, there were around 90% employees that were from located facility area, and 10% were from other province.
- All workers had the proper legal rights to work in this region.
- The youngest age was 16 years old. The contract, payroll and working hours of this young worker was checked which was in compliance with local law requirement.
- All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
- No agency staff or foreign worker was used by the facility.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Hiring procedure
- Personnel files

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence

observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI/Additional Elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

10. Other issue areas 10B4: Environment 4-Pillar

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Surrounding environment monitoring was conducted on 3 January 2020. All indexes met the standards.
- Environment Impact Assessment was approved on 28 August 2013.
- Environmental policy was established on 03 September 2020.
- Electricity and water were charged by Adminstrating Department to company. Electricity, water receipt of 12 months and report were available for review.
- Person in charge of implementing & maintaining Environmental issues: Ms. Doan Thi Cam Nhung – Compliance Director
- Employees received training on Environment policy conducted in orientation training with one week before stating their job and annual refresh training.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Surrounding environment monitoring records.
- Environment impact assessment.
- Registration list of hazardous wastes.
- Environmental Protection Commitment
- Energy payment bills

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence

observed: Not applicable

Observation:

Description of observation: None observed

Local law or ETI/Additional Elements requirement: Not applicable

Comments: Not applicable

Objective evidence

observed: Not applicable

Good examples observed:

Description of Good Example (GE): None observed

Objective Evidence

Observed: Not applicable

Environmental Analysis

(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)

A: Responsible for Environmental issues (Name and Position):

Ms. Doan Thi Cam Nhung – Compliance Director

B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks

☒ Yes ☐ No

Details: Environment Impact Assessment was approved on 28 August 2013

C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.

☐ Yes ☒ No

Details: The site do not have any recognised environmental system certification.

D: Does the site have an Environmental policy? (For guidance, please see Measurement criteria)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available? The environmental was posted at notice board
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Waste classification at the source, turn off electricity if not needed.
F: Does the site have a Biodiversity policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Not applicable
H: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: The hazardous wastes report for local authority was not available for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Details: There is no hazardous chemical being used in facility.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Ms. Doan Thi Cam Nhung – Compliance Director is in charge of checking client's requirements and legislation regarding environmental everyone month.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Turn off electricity if not needed
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The facility's licensed waste collector has evidence of waste recycling and provided to the facility as evidence.
M: Facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Facility has an environment tool for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards.
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Facility has a procedure to check and make sure their business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility.

Usage/Discharge analysis		
Criteria	Current year: Please state period: From January 2020 to August 2020	Previous Year: Please state period: From January 2019 to December 2019
Electricity Usage: Kw/hrs	487,449 Kw/hrs	635,657 Kw/hrs
Renewable Energy Usage: Kw/hrs	246,690 kw/h	207,972 kw/h
Gas Usage: Kw/hrs	0 kw/h	0 kw/h
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result		
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Local water authority 	<ul style="list-style-type: none"> Local water authority
Water Volume Used: (m ³)	4,393 m ³	7,990 m ³
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> After wastewater being treated, it was discharged into industrial wastewater system 	<ul style="list-style-type: none"> After wastewater being treated, it was discharged into industrial wastewater system
Water Volume Discharged: (m ³)	3,657 m ³	6,650 m ³
Water Volume Recycled: (m ³)	0 m3	0 m3
Total waste Produced (please state units)	236,259 kg	382,136 kg
Total hazardous waste Produced: (please state units)	64 kg	491.5 kg
Waste to Recycling: (please state units)	39,526 kg per year	44,191 kg per year
Waste to Landfill: (please state units)	12,439 kg per year	22,962 kg per year
Waste to other: (please give details and state units)	184,231 kg per year	314,492 kg per year
Total Product Produced (please state units)	2,089,119 pcs / year	7,672,142 pcs/ year

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The written policy on business integrity was established on 29 March 2016
- Person in charge of implementing & maintaining Business Practice: Ms. Doan Thi Cam Nhung – Compliance Director
- The facility has a transparent system in place for confidentially reporting and dealing with unethical Business Ethics without fear of reprisals towards the reporter, date on 29 March 2016
- The company conducted the training on the integrity for all employees who are newcomers and old employees through annual training.
- There are 3 ways for the facility to identify the ethical issues in the company, including feedbacks of employees through hot lines and email, and direct vocal.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Anti-bribery policy
- The procedure for monitoring and controlling of integrity in the facility.

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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI /Additional Elements requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Observation:	
Description of observation: None observed Local law or ETI/Additional Elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed:

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: The facility has established a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice on 29 March 2016.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues	The facility's staffs whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics were trained on what action to take in the event of an issue arising in their area. Latest training was in July 2020
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The Business Ethics policy was reviewed annually
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: the facility communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers, records were available for review.

Other Findings Outside the Scope of the Code
None observed

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
None observed

Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p> <p><input checked="" type="checkbox"/> Not Applicable please x</p>	
<p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
ETI 1. Forced Labour	ETI 1. Forced Labour
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p>	

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
8A: Sub-Contracting and Homeworking	8A: Sub-Contracting and Homeworking
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
<p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
10. Other issue areas 10B2: Environment 2-Pillar	

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements</p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p>B4. Guidance for Observations</p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.

Photo Form




A. Non-Compliance Photos:






Obs photo 01: Based on the facility tour, it was noted that 1 out of 1 chemical tank (disinfectants) at wastewater treatment room was not provided with secondary containment

Remark: The facility has corrected it immediately on 30 October 2020 by provided secondary containment to the mentioned chemical at wastewater treatment room

B. General Facility Tour Photos:

		
Facility name	Facility gate	Facility overview

		
Material warehouse	cutting section	Sewing section



Inspection section



Packing section



Finished goods warehouse



Clinic room



Fingerprint machine



First aid box



Toilets facility



Washing hand area



Bulletin Board



Air compressor room



Emergency light testing on site



Parking area



Exit sign and emergency light



Sprinkler system



Fire extinguishers



Fire extinguishers were inspected monthly by internal firefighting team



Fire extinguishers were inspected by police from firefighting Department



Fire hose reel



Evacuation plan was posted



Smoke detector



Fire alarm button



Operation instruction for fire extinguishers



Water for employees



PPEs were sufficient used by worker












Eye guard was put in use



Electrical panel



Electrical panel with inner cover

		
Chemical warehouse	Eye wash station	Chemical storage
		
MSDS	Spill kit at the chemical warehouse	Chemical label
		
Pumping for firefighting	Fire alarm control panel	Hazardous waste warehouse



General wastebin



Fire extinguisher testing onsite



Fire hose testing onsite



Eye wash station testing onsite



PPE wearing requirement



Emergency light along the pathway



CBs were safely covered



Exit door



Warning sign for machine



Lockers for employees



Wastewater treatment system



Eating area



Aisle was kept clean and out of obstruction



Suggestion box



Assembly point



Fitness room provided for all employees



Hand sanitizer



The building which was under re-construction



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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