



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 421956110	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1001508
Business name (Company name):	NHA BE-SOC TRANG GARMENT JOINT STOCK COMPANY		
Site name:	NHA BE-SOC TRANG GARMENT JOINT STOCK COMPANY		
Site address: <i>(Please include full address)</i>	National Road 60, Ward 7, Soc Trang City, Soc Trang Province	Country:	Vietnam
Site contact and job title:	Ms. Nguyen Thi Le Ha – Administrative Manager		
Site phone:	+84907012437	Site e-mail:	leha@nbc-soctrang.vn
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	05 DEC 2022		

Audit Company Name & Logo: SGS Vietnam Ltd 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> NHA BE-SOC TRANG GARMENT JOINT STOCK COMPANY
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Audit Conducted By					
Affiliate Audit Company	<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)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

To confirm the validity of this report, please visit <https://www.sedex.com/audit-verifier/>

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):

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Nguyen Ngoc Thong APSCA number: RA 21700485

Lead auditor APSCA status: Good in Status

Team auditor: Nguyen Sy Quoc Van APSCA number: RA 21704267

Interviewers: Nguyen Sy Quoc Van (RA 21704267), Nguyen Ngoc Thong (RA 21700485)

Report writer: Nguyen Ngoc Thong

Report reviewer: Shiji A M (12/12/2022)

Date of declaration: 05 December 2022

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 <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	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 checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	0	OBS • Factory has not communicated ETI Code to their own suppliers
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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	6	0	0	NCs: 1. the factory did not post MSDS for BT1122 chemical tanks in Boiler area as legal requirements 2. BT1122 chemical tanks was not provided secondary container as legal requirements. 3. at least 20% of employees at the sewing section, cutting section, and packing section did not wear PPE (mask) during working time. 4. 03 out of 10 sewing machines were eye guards provided for sewing machines. However, eye guards were raised too high

									<p>and could not prevent employees from being injured.</p> <p>5. 02 out of 05 selected first aid kits were stocked from 14 to 20 items instead of 27 required first aid items as per legal requirement.</p> <p>6. 1 out of 2 warning signs on the air compressor machine were not in the local language as legal requirement.</p>
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"/>	<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	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None observed
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• Not applicable
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• Not applicable
General observations and summary of the site:									

NHA BE-SOC TRANG GARMENT JOINT STOCK COMPANY located at National Road 60, Ward 7, Soc Trang City, Soc Trang Province, Vietnam under Business License No. 2200733135, issued on 10 May 2017 by Department of Planning and Investment of Soc Trang Province, Vietnam.

Total construction area was m2.

- There were total 499 employees (196 males and 303 females). No migrant workers found.
- Site buildings were maintained in good condition.
- No child and young worker found on sited.
- The site's regular working hour is 8 hours per day, 48 hours per week, from Monday to Saturday is from 07:30 to 16:30 (break time is 11:30 to 12:30). Fingerprinting machines were installed to record worker's working time.
- Worker' salary was settled down from the first day to the last day of month and payment was on between 10th and 15th of the following. Payslips were provided for employees at the payment period. Salary is paid via bank transfer.
- 26 sample workers (12 males and 14 females) of 03 months (May 2022, September 2022, October 2022) were selected for interview, time record and payment review within the last 12 months from November 2021 to October 2022.
- During closing meeting, findings were communicated to management, and they committed to improve.

**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:	NHA BE-SOC TRANG GARMENT JOINT STOCK COMPANY																									
B: Site name:	NHA BE-SOC TRANG GARMENT JOINT STOCK COMPANY																									
C: GPS location: (If available)	GPS Address: National Road 60, Ward 7, Soc Trang City, Soc Trang Province	Latitude: 9°38'04.8"N Longitude: 105°57'28.7"E																								
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License No. 2200733135 Issued on 10 May 2017 by Department of Planning and Investment of Soc Trang Province, Vietnam																									
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of garments (Vest, Pants)																									
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Based on document review and facility tour, the facility has 61,200 sqm.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Building 1</td> <td>10,401.48 sqm, Office, production areas</td> <td>Nil</td> </tr> <tr> <td>Building 2</td> <td>4,642 sqm, materials, cutting</td> <td>Nil</td> </tr> <tr> <td>Building 3</td> <td>32,417.4 sqm, sewing, pressing, finishing, and finished goods warehouse</td> <td>Nil</td> </tr> <tr> <td>Building 4</td> <td>1960 sqm, Kitchen and eating area</td> <td>Nil</td> </tr> <tr> <td>Building 5</td> <td>280 sqm, Dormitory with 7 rooms for management</td> <td>Nil</td> </tr> <tr> <td>Building 6</td> <td>280 sqm, Dormitory with 7 rooms for management</td> <td>Nil</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table> <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: buildings were in good condition. No large cracks were observed.</p>		Production Building no	Description	Remark, if any	Building 1	10,401.48 sqm, Office, production areas	Nil	Building 2	4,642 sqm, materials, cutting	Nil	Building 3	32,417.4 sqm, sewing, pressing, finishing, and finished goods warehouse	Nil	Building 4	1960 sqm, Kitchen and eating area	Nil	Building 5	280 sqm, Dormitory with 7 rooms for management	Nil	Building 6	280 sqm, Dormitory with 7 rooms for management	Nil	Is this a shared building?	No	
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	<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 factory has construction permit and building approval as legal requirement.</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: (if applicable)	None.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>Materials – Cutting – Sewing – Ironing – Inspection – Packing – Shipping</p> <p>Machines: Cutting machines, sewing machines, fusing machines, ironing machines</p>
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name): Grassroots Trade Union of Nha Be-Soc Trang Garment JSC <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 L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details: The factory did not provide accommodation to workers.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 08:20 A2: Day 1 Time out: 16:30	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	02 man-days (02 auditors x 01 day).		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input 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 type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks (1-14 Dec 2022) <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: 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. Nguyen Thi Le Ha – Administrative Manager		
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:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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 <i>(only complete if no worker reps present)</i>	The union representative was workers committee representative. There was not any worker's representative in this facility. It is a common practice in Vietnam.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	N/A		

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*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	196	0	0	0	0	0	0	196
Worker numbers – female	303	0	0	0	0	0	0	303
Total	499	0	0	0	0	0	0	499
Number of Workers interviewed – male	12	0	0	0	0	0	0	12
Number of Workers interviewed – female	14	0	0	0	0	0	0	14
Total – interviewed sample size	26	0	0	0	0	0	0	26



A: Nationality of Management	American, Vietnamese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: ___Vietnamese___</p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: There was no peak season over the last 12 months</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 _100%__</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration <i>(management information)</i>	<p>D: _____% workers on piece rate</p> <p>D1: _____% hourly paid workers</p> <p>D2: ___100___% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: ___100___% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Number of group interviews: <i>(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)</i>	04 groups of 5 workers (20 employees)
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3 D2: Female: 3
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 no, 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?	There was not any complaint of workers.
I: What did the workers like the most about working at this site?	On-time payment. Firefighting system was properly installed
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	Workers were willing to share their opinions during interview. They were aware of local law and regulation.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers: <i>(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</i>	

Total 26 employees were randomly selected for interview, including 04 groups of 5 workers and 6 individuals. Workers were willing to answer the question. They were aware of their right and responsibility in social compliance system.

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 chairman said that he was freely elected by workers. She was free to communicate with workers. She said that management had established a policy of free association and collective bargaining. She also said that the facility management supported the trade union to held regular meetings with all members of trade union with any restriction or interference.

O: Attitude of managers:

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

Management co-operated with audit team during audit day. All premises were allowed to be access during site tour. Documents, records were provided quickly when required. They also arranged a private room for worker interview. During the closing meeting, management committed to continuously improve the Social Compliance System.

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

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:

- Facility had established a system including policy, procedure related to social, human right, safety, and environment.
- The policies were communicated to all employees via training, posting at bulletin board.
- Management and employees were aware of Human Rights. Concurrently, no human right violation was noted during this audit.

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

Details:

- It was noted through site tour, the review of Compliant Handling and Grievance policies / procedures, appointment letter as well as written social compliance policies that the policy and procedure on Universal Rights was established and available for review.

Any other comments: None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Management had established policy that committed to respect human right to meet local law and ETI code of conduct.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Nguyen Thi Le Ha Job title: Administrative Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: It was noted that Complaint Handling, Grievance mechanism were established, suggestion boxes were arranged at publicity. In addition, no human right violation was noted during this audit.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (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 D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Document review & management interview indicated that HR Policy and Confidential Procedures were established in written. All personal records were retained in every employee's personal profile. The data privacy was managed and controlled by HR department.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI/Additional elements / customer specific requirement:</p> <p>Comments: None</p>		<p>Objective evidence observed:</p> <p>N/A</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed:</p> <p>N/A</p>

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: 2021 2 %	A2: This year 2022 2 %
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]	1.5%	
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: 2021 __1.8__ %	C2: This year 2022 __2__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(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	1.9%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The facility established accident policies and procedures. It was available for review.	
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: 2021 Number: 0	F2: This year: 2022 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]	1%	
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: 2021 0	H2: This year: 2022 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __25__% workers	I2: 12 months __22__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers

0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 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:

- Satisfactory evidence collected during the document review, site observation as well as management interview confirmed that ETI Code was implemented at the site.
- ETI Code was posted in the factory in local language for all employees to read whenever they want.
- A management representative was assigned to be responsible for engaging requirements (both local laws and ETI Code) to their daily business operations. Relevant social compliance policies and procedures had been established and communicated with employees at every level such as: Child labour, force labour, working hours, wage & benefits ... policies

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

Details:

- Management interview
- Training records
- Worker interview

Any other comments: None

Management Systems:

<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: There was no fines/prosecutions for non-compliance to any regulations</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: social compliance polices and/or procedures (such as child labour, forced labour, discrimination, harassment & abuse policies) had been established on 6 Jan 2022 and provided for review during this audit.</p>

<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Social compliance policies and/or procedures had been posted at bulletin board of the facility. There was not any forced labour, child labour, discrimination or harassment and abuse cases had been noted, observed and reported during this audit.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Management and workers were trained and aware of these policies.</p>
<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 E1: Please give details: Management and workers were aware well about these policies.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: No system certifications found.</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 G1: Please give details: Nguyen Thi Le Ha – Administrative Manager</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 H1: Please give details: The factory had appointed Ms. Nguyen Thi Le Ha/ Administrative Manager to oversee implementation ETI Code of Conduct on its daily business operations</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 I1: Please give details: A Worker's Confidential Procedure was established in written for HR and others relevant departments to follow.</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 J1: Please give details: A written Information Confidential Procedure was established. No such confidential information issue was identified during this audit</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment to evaluate effective internal policies and procedures conducted yearly.</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 L1 Please give details: The facility established a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please give details: The factory did not send policy/ code to its own suppliers.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Factory signed the land lease contract with Soc Trang People Committee, No. 45/HĐTD dated on 04 Dec 2017 valid until 02 Nov 2067.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: Reviewing the land rental contract, noted that the factory did follow their use of land as per the commitment on contract as well as legal requirement</p>
<p>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</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC:</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: Based on the review of Land lease contract and rental payment release indicated that rental fee had been settled down monthly.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: the facility demonstrated that alternatives to a specific land acquisition</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No evidence of illegal appropriation of land for facility building or expansion of footprint.</p>

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>N/A</p>

Observation:	
<p>Description of observation: The ethical Code (i.e., ETI Base Code for SMETA audits) is not communicated to the site's own suppliers.</p> <p>Local law or ETI requirement: O.B.5 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> <p>Comments: The facility management said that they will send ETI Based Code to its suppliers soon.</p>	<p>Objective evidence observed:</p> <p>Document review, management and worker's interview.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective evidence observed:</p> <p>N/A</p>

1: Freely Chosen Employment <i>(Click here to return to summary of findings)</i>
<p style="text-align: center;">ETI</p> <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>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p>Current systems:</p> <ul style="list-style-type: none"> - Forced labour policies & procedures were established in written. Site observation confirmed that no prison or trafficking labour was used.

- Worker interviewed also indicated that no original ID or identity papers certificates were retained by the site. No deposit applied too.
- All employees applied to work for the facility by themselves.
- The facility does not use any labour agency workers and broker to seek for new employees.

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

Details:

- Satisfactory evidence collected through site observation; document review & employee interview indicated that:
- Employees were free to get out of the site after working hours.
- No personal original documents (such as ID cards, education certificates, health exam papers, resumes ...) were asked to keep by the factory.
- Employment was freely chosen.
- No fee for recruitment when applying for the job at the site.
- Movement of employees at the facility was not prohibited or limited.
- Employees can access to toilets and potable water
- Overtimes were always performed on voluntary basis.
- The factory does not limit the employees' freedom.

Any other comments: None

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please describe finding: Employees were free to terminate the employment.</p>
<p>E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the workday?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Workers were free to leave the facility when ending of working shift.</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:</p>

H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Facility had established the forced labour policy and communicate this policy to all employees. Management committed to no forced labour in this facility.
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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: N/A Recommended corrective action: N/A	Objective evidence observed: <i>(where relevant please add photo numbers)</i> N/A

Observation:	
Description of observation: None observed Local law or ETI requirement: N/A Comments: N/A	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: N/A

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

[\(Click here to return to summary of findings\)](#)

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

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:

- It was confirmed with management and employee's interviews as well as document review, noted that grievance mechanism, suggestion box records, trade union chairman election and meeting records were available for review.
- No discrimination was noted between trade and non-trade union employees.
- 11 member of Trade union including chairwoman – Ms. Nguyen Thi Le Ha/ Administrative Manager were freely elected. Board of Trade union was provided with adequate facilities to perform their tasks.
- The facility trade union executive committee was established on Oct 03, 2018.
- Freedom of Association procedure was established in written and well communicated to employees.
- There was total 02 suggestion boxes (01 at the workshop, 01 at the canteen) to collect employee's idea.
- Procedures for managing and handling complaints and Procedures for managing suggestion boxes were established on Jan 06, 2022, by top management.
- The CBA was established on Jan 15, 2022 as legal requirement.
- Social dialogue meetings at the workplace were conducted once every 03 months as legal requirement.

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

Details:

- Suggestion box was posted in place to collect worker's idea, suggestions.
- CBA was established and submitted to authority department.
- Activities of Trade union established in place satisfied legal requirements (e.g., regular meeting of trade union board, workers conference...)
- Social dialogue meetings at the workplace.

Any other comments: None

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

- Union (name): Grassroots Trade Union of Nha Be-Soc Trang Garment JSC
- Worker Committee
- Other (specify)

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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: Please give details: Suggestion box 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: Trade union was established at the facility. Trade union members were provided with a private room, supporting equipment's such as telephone, computer, internet, etc. and allowance to perform their duty properly.	
F: Name of union and union representative, if applicable:	Grassroots Trade Union of Nha Be-Soc Trang Garment JSC Nguyen Thi Le Ha – Chairman of Trade Union	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?	N/A	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	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 09 Sep 2022.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 01	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Factory conducted dialogue at the workplace between employees or worker's collective representative and employers as legal requirement. The latest time was on 9 Sep 2022 with contents regarding to working environment.	

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: <u>100</u> % workers covered by Union CBA	M2: <u>0</u> % 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	

Non-compliance:	
<p>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</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>N/A</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed:</p> <p>N/A</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective evidence observed:</p>

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

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

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 & Safety management:

- Observation from factory tour, noted that the general working environment of the facility was clean and in good conditions. Ventilation and temperature were adequate for the production processes.
- There was toilet facility for all male & female workers installed in factory, which was complied with legal law requirement. The workers' toilets provided with clean as well as segregated for men and women.
- PPEs warning signs were posted at related workplaces. PPEs were provided free for workers and workers worn them during working time.
- Relevant policy and factory regulation were posted at bulletin board.
- Regular health check and Occupational health check was provided for all workers as requirements.
- Relevant drinking water the factory has provided drinking water to all employees and all working area, in addition drinking water was tested every 06 months.
- The factory has conducted workplace monitoring report annually as legal requirement.

2. Fire Safety

- The fire prevention plan by local fire safety police dated on Aug 15,2022.
- Certificate of approval of fire prevention design approved by firefighting police as legal required.
- Fire explosion insurance date on 2 Aug 15,2022 valid till Aug 15,2023.
- The factory has conducted fire drill once time per year as fire prevention plan by local fire safety police. The latest drill is on Aug 27,2022.
- Procedure for inspecting and testing for fire-fighting equipment's was in place. The fire extinguishers were inspected internally once per month. All of them were tested regularly by service authorizer.
- There were at least 02 fire exits from each work area and these were clearly marked.
- The "No smoking" signs were posted at production and prohibited areas in factory.
- Per site observation, it was noted that all fire exits, and escaped routes were unlocked and free of obstruction.
- Per site observation, auditors noted that all site buildings were maintained in good physical condition.

3. Electrical & Machinery safety

- All electrical equipment is maintained in good condition.

- The electrical wires are installed in fully acceptable condition and adequately protected by isolated material as legal requirement.
- Anti-lighting & grounding systems are inspected on Oct 22, 2022, valid for one year.
- Annual machine maintenance schedule and records are reviewed, all equipment is regularly maintained as schedule.
- 03 pressure vessels are inspected regularly. The most recent inspection was on October 25,2022 valid until October 22, 2023.
- 01 forklifts are inspected regularly. The most recent inspection was on Jun 15, 2022, valid until August 12, 2022.
- 01 boiler is inspected regularly. The most recent inspection was on October 25, 2022, valid until October 22, 2023.

4. Medical services

- The factory has three medical staff members: Ms. Son Thi Huong. They have medical knowledge and experience. The factory has a medical contract with the medical centre and travels the distance from the factory to the medical centre within 30 minutes as legal requirement.
- There are 10 employees of different production sections and shifts are trained in first aid knowledge on Jun 06,2022 with certificates issued by local medical centre.

5. Health and safety training

- Per document review, workers and management interview, auditors noted that the factory provided health and safety training with valid certificates and there were trained on occupational health and hygiene as legal requirement.
- 25 workers are trained on firefighting and safety regularly, the latest training is on Nov 09,2022.

6. Worker Health, Hygiene & Housekeeping

- Drinking water was provided though filter system. Potable water was freely available in all areas and the water test was conducted every 03 months. The latest drinking water inspection on Oct 28,2022, 06 samples, these results met local standard.
- Factory had certificate of food safety conditions issued on Nov 18,2021, valid till Nov 18,2023.
- There were 06 canteen staffs certificated in food hygiene and safety course training on Sept 05,2022 and provided health examination on Jun 02,2022.

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

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Government licenses and checks on air quality and noise level
- Building structure safety certificate
- Trained first aider register
- Accident reports
- Sanitation permits for kitchen
- Health certificates for kitchen staff
- Chemical list and MSDS for each chemical
- Potable water testing certificates
- Interviews with H&S manager
- Interviews with workers and H&S committee members

Any other comments: None

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: general and occupational Health & Safety policies and procedures that were fit for purpose and were communicated to workers;</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Health & Safety policy was briefly mentioned on worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: there was not any structural additions without required permits;</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: visitor to the site were provided health and safety information and properly PPE.</p>
<p>E: Is a medical room or medical facility provided for workers? 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Medical room meet legal requirements. Factory had 01 intermediate degree medical staff.</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 F1: Please give details: - The factory had medical contract to Hong Ly General Hospital for medical service from 1 July 2021 to 30 June 2022. - There were 29 persons of different production sections being trained the first aid knowledge on 25 December 2021 by local medical centre with certificates valid for 1 year.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A. The factory did not provide transportation to workers.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A. The factory did not provide accommodation to workers</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory reviewed and updated health and safety risk assessment on 5 October 2021.</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 J1: Please give details: Based on the workplace monitoring report on 22 November 2021, the site met legal requirements for workplace.</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 K1: Please give details: the site met its customer requirements on environmental standards</p>

Non-compliance: 06

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

Based on Site observation and management interview, it was noted that the factory did not post MSDS for BT1122 chemical tanks in Boiler area as legal requirements.

Local law and/or ETI requirement

Circular No. 32/2017/TT-BCT dated and valid since December 28, 2017 Article 7. Making of safety data sheets. Clause 1. Hazardous chemical producers and importers mentioned in Clause 1 Article 24 of the Decree No. 113/2017/ND-CP shall make safety data sheets including information provided in Appendix No. 9 attached hereto before using or selling chemicals on and take responsibility for contents of safety data sheets. Clause 2. Hazardous chemical producers and importers shall retain safety data sheets of every hazardous chemical in their factories/stores and make sure that all entities relevant to hazardous chemicals are provided with safety data sheets of such hazardous chemicals.

ETI requirement: point 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:

The factory should be posted MSDS at the workplace as local law requirement.

2. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

Based on site observation, document review and management interview, it was noted that BT1122 chemical tanks was not provided secondary container as legal requirements.

Local law and/or ETI requirement:

In accordance with Law on Chemical No. 06/2007/QH12; Article 21. Storage and preservation of hazardous chemicals in chemical production or trading

Objective evidence observed:

1. Based on site observation and management interview – Photo NC01-02

2. Based on site observation and management interview – Photo NC01-02

Production or business organizations and individuals that store or preserve hazardous chemicals must satisfy the following requirements: 1). Satisfying the conditions on safety distance and safety techniques in chemical storage and preservation. 2). Displaying necessary warnings at places of storage and preservation of hazardous chemicals as prescribed at Point f, Clause 1, Article 12, of this Law. 3). Having equipment and vehicles in response to incidents, which are suitable to hazardous properties of chemicals. 4). Adopting chemical incident prevention and response measures or plans as prescribed in Chapter VI of this Law.

ETI requirement: point 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:

The factory should be provided secondary containment at the workplace that has caused hazardous chemicals.

3. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

Based on the facility tour, it was noted that at least 20% of employees at the sewing section, cutting section, and packing section did not wear PPE (mask) during working time.

Local law and/or ETI requirement:

In accordance with circular 04/2014/TT-BLDTBXH dated 12 Feb 2014, Article 6. Principles for use of personal protective equipment. 1). The employer shall instruct their workers how to smoothly use the adequate personal protective equipment and closely supervise their use. 2). As for the dedicated personnel protective devices that require technically high safety, the employer (or persons authorized for provision) shall check to ensure quality, standards of personal protective devices before distribution to the employee and periodically recheck personal protective equipment during use and make records into a logbook; not using equipment failing to satisfy technical requirements or expired.

ETI requirement: point 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 the facility shall ensure all workers wear appropriate PPEs while working.

4. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

3. Based on site observation and management interview – Photo NC03.

4. Based on site observation and

It was noted that at least 03 out of 10 sewing machines were eye guards provided for sewing machines. However, eye guards were raised too high and could not prevent employees from being injured.

Local law and/or ETI requirement:

Law on occupational safety and hygiene (Law No. 84/2015/QH13), Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace, 2. Machinery, equipment, materials and substance shall be used, operated, maintained and preserved at the workplace in conformity with technical standards of occupational safety and hygiene, or technical regulation on occupational safety and hygiene that promulgated, applied and internal regulations and process for assuring occupational safety and hygiene at the workplace. 5. Machinery, equipment, materials, workshops, and depots must be periodically inspected and maintained. 6. There are warning, and instruction signs made in Vietnamese and popular language of employees in relation to occupational safety and hygiene for machinery, equipment, materials and substances that having strict safety and hygiene requirements at the workplace, preservation places, usage places that are placed at obvious locations.

ETI requirement: point 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:

The facility shall train and ensure all employees use lower eye guards when using sewing machines.

5. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

It was noted from site tour that 02 out of 05 selected first aid kits were stocked from 14 to 20 items instead of 27 required first aid items as legal requirement.

Local law and/or ETI requirement:

Accordance with Circular 19/2016/TT-BYT dated 30 Jun 2016 valid since 15 Aug 2016, Article 6 provisions on first aid kits and Appendix 4: provisions on bag first aid in the workplace. 1). First aid kits shall be available in the workplace, at accessible and visible positions, with Red Cross symbol thereof. 2). Quantity of first aid kits and items thereof shall be conformable to Annex 4 hereof.

ETI requirement: point 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:

Factory should equip first aid kit with 27 items as local law requirement.

management interview
– Photo NC04

5. Based on site observation and management interview
– Photo NC05.

<p>6. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>During site observation and management interview, it was noted that 1 out of 2 warning signs on the air compressor machine were not in the local language as required.</p> <p>Local law and/or ETI requirement: Local law: Accordance with Decree 44/2016/ND-CP dated 15 May 2016 valid since 01 Jul 2016, Article 16. Responsibility of organizations and individuals using machine, equipment, and materials with strict requirements on occupational safety. 2). Notifies the Department of Labour - Invalids and Social Affairs in locality within 30 days before or after using the machine, equipment and materials with strict requirements on occupational safety, unless otherwise specified by the specialized law.</p> <p>ETI requirement: point 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>Recommended corrective action: The factory shall subtitle all warning signs into the local language.</p>	<p>6. Based on site observation and management interview – Photo NC06.</p>
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Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>
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Good Examples observed:

<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed:</p>
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4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

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

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:

- The factory had established a policy of no child labour and communicated this policy to all related employees.
- The factory established policy of child labour including remedial action once any incident of child labour identified.
- Procedure of recruitment could ensure how effectiveness of verifying work age of workers was. It has been acknowledged by HR and admin staffs.
- No child labour was noted, observed and or reported during this audit. This was confirmed through site observation, document review & worker interview.

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

Details:

- Personnel files
- Policy and procedure
- List of latest total employees
- Management and worker interview
- Site observation

A: Legal age of employment:	15 years old
B: Age of youngest worker found:	18 years 8 months
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details: There was no young labour found. Facility had special policy of young labour that does not allow

	young workers work heavy and hazardous job, overtime and only work 7 hours/ day.
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Non-compliance:	
<p>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</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed:</p>

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

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

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:

- Wage policy was established and followed properly.
- From 1 Jan 2020 to 30 June 2022, the legal minimum wage applied to this facility was 3,430,000 per month, meanwhile, the facility paid at least 3,853,605 VND per month. Since 1 July 2022, the new legal minimum wage applied for this site was 3,640,000 VND per month, meanwhile, the facility is paying at minimum wage of 4,089,540 VND per month.
- The site applied time-based rate wage for all employees. The salary calculation cycle was from 1st to end of the month and salary was fully paid on 10th and 15th of following month for employees via bank transfer.
- Wage slip was provided to individual workers at the payment salary. Compulsory insurance scheme was provided employees up to Oct 2022 as legal requirement.
- Extra allowances: Transportation allowance: 100,000 VND/ month; diligence allowance: 50,000-200,000 VND/ month; productivity bonus: 50,000 to 100,000 VND/ month, childcare: 20,000 VND/ month.
- The facility also provided duty allowances for firefighting leader and vice leaders, for member of health and safety network.
- Overtime wage was properly paid as 150% for normal overtime, 200% for weekly rest-day and 300% for holiday. Overtime rate per hours were properly calculated according to local law.

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

Details:

- Payment policy and internal labour regulation.
- Wage scales of Nov 2021 to Oct 2022.
- Payrolls and time records of the most recent 12 months were provided for review (from Nov 2021 to Oct 2022).
- Payment order
- Payslip was provided for employees during the pay period.
- No inconsistencies were noted during this audit.
- Management and worker interview

Any other comments: None

Non-compliance:	
<p>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</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed:</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal minimum: 8 hours per day, 48 hours per week	A1: 8 hours per day, 48 hours per week	A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal minimum: - 4 hours per day - 40 hours per month	B1: - 2 hour/day - 12 hours/ week - 36 hours/ month.	B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Since 01 Jan 2020 to 30 June 2022: 3,430,000 VND/ month Since 1 July 2022: 3,640,000 VND/ month	C1: Since 1 Jan 2020 to June 2022: 3,853,605 VND per month Since July 1, 2022: 4,089,540 VND / month	C2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 150% for normal day 200% for rest day 300% for holyday	D1: 150% for normal day 200% for rest day 300% for holyday	D2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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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		
A1: If No , why not?	N/A		
B: 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)	26 samples in Oct 2022 (most recent) 26 samples in Sep 2022 (random) 26 samples in May 2022 (random)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>C1: If Yes, please give details:</p> <p>Since July 2022 Grade 1: VND 4,680,000 for region 1 Grade 2: VND 4,160,000 for region 2 Grade 3: VND 3,640,000 for region 3 Grade 4: VND 3,250,000 for region 4</p> <p>2020-June 2022 Grade 1: VND 4,420,000 for region 1 Grade 2: VND 3,920,000 for region 2 Grade 3: VND 3,430,000 for region 3 Grade 4: VND 3,070,000 for region 4</p>	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<p>D1: If No, please give details:</p> <p>Jul 2022: 3,640,000 VND / month for region 3 2021-June 2022: 3,430,000 VND / month for region 3</p>	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i></p> <p>Since 1 Jan 2020 to June 2022, the facility paid at least 3,853,605 VND per month, Since July 1, 2022: the facility paid at least 4,089,540 VND / month</p>	
F: Please indicate the breakdown of workforce per earnings:	<p>F1: ___% of workforce earning under minimum wage F2: _100_% of workforce earning minimum wage F3: ___% of workforce earning above minimum wage</p>		
G: Bonus Scheme found: Please specify details:	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i></p>		

	Transportation allowance: 100,000 VND/ month; diligence allowance: 50,000-200,000 VND/ month; productivity bonus: 50,000 to 100,000 VND/ month, childcare: 20,000 VND/ month; firefighting; health and safety responsibility.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance: 8% of monthly basic wage Health insurance: 1.5 % of monthly basic wage Unemployed insurance: 1% of monthly basic wage Trade union fee: 1% of month wage		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	Please describe: 1. Social insurance: 8% of monthly basic wage 2. Health insurance: 1.5 % of monthly basic wage 3. Unemployed insurance: 1% of monthly basic wage 4. Trade union fee: 1% of month wage
		I2: Please list all deductions that have not been made.	1. N/A 2. Please describe:
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	K1: Type N/A <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 L1: Please give details: Working time records reflected all time that workers worked, joining meeting, training,		
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 M1: Please specify amount/time: N/A		
M2: 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/A		

<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Wage was reviewed at the end of year when there was new requirement of local law.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Wage, allowance and bonus were decided based on skill, experience only. Equal rates were paid for equal work.</p>
<p>Q: How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

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

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 working time were documented on Internal regulation and communicated to all employees.
- There was a written working and rest time policy also.
- The factory applied fingerprint system to record employees' working hours on daily basis. The clock-in and clock-out were recorded by workers.
- The site's regular working hours for administration shift is 08 hours/ day; 48 hours per week, from Monday to Saturday. Worker started at 7:30 and ended at 16:30; and take break from 11:30 to 12:30.
- Worker' salary was settled down from the first day to the last day of month and payment was on the 10^h of the following month by bank transfer.
- Employees had Sunday off after 06 consecutive working days.
- The records were reviewed against production records and security records to verify actual working hours.
- Maximum daily overtime is 4 hours. Maximum monthly overtime is 39 hours/ month. This is in line with local law.

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

Details:

- Through employees and management interview.
- Reviewing factory's policy on working hours.
- Workers contracts.
- Quality and production records to cross check hours.
- Payroll and time record.

Any other comments: None

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: N/A

Recommended corrective action: N/A

Objective evidence observed:

(where relevant please add photo numbers)
N/A

Observation:

Description of observation: None observed

Local law or ETI requirement: N/A

Comments: N/A

Objective evidence observed:

N/A

Good Examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed:

N/A

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

B: Is sample size same as in wages section?

- Yes
 No

B1: If no, please give details

<p>C: Are standard/contracted working hours defined in all contracts/employment agreements?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</p>			
<p>D: Are there any other types of contracts/employment agreements used?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>D1: If YES, please complete as appropriate:</p>			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		<p>If "Other", Please define:</p>			
		<p>NIL</p>			
<p>E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>E1: If yes, please detail hours, %, types of workers affected and frequency Please give details:</p>			
<p>F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?</p>	<p>F2: 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:</p>	<p>F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>			
	<p>Maximum number of days worked without a day off (in sample):</p>				
	<p>06 consecutive days.</p>				
<p>Standard/Contracted Hours worked</p>					
<p>G: Were standard working hours over 48 hours per week found?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>G1: If yes, % of workers & frequency: None</p>			
<p>H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>H1: If yes, please give details:</p>			
		<p>NIL</p>			
<p>Overtime Hours worked</p>					
<p>I: Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours: 2 hours per day. 12 hours per week. 36 hours per month observed in the sampled month of Sep 2022.</p>				

J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__10__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p><i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i></p> <p>Internal working regulation stated that overtime was only done when workers agree. No forced labour policy also stated that workers were free to leave workshop when they end working shift. This policy was communicated to all employees.</p>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p><i>M1: Please give details of normal day overtime premium as a % of standard wages:</i></p> <p>150% for normal days overtime. 200% for weekly day-off 300% for holidays</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>N1: If yes, please describe % of workers & frequency: 100% workers who worked overtime were paid at the legal overtime rate for every month.</i></p>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input checked="" 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	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	<p><i>Workers were paid for overtime, as following:</i></p> <p>150% for normal days overtime. 200% for weekly day-off overtime 300% for holiday overtime.</p>	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please	<input checked="" 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)	

<p>complete the boxes where relevant.</p>	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
	<p>Overtime was carried out in voluntary basis. Workers were free to leave workplace at the end of working shift. Working time did not exceed 60 hours/ week.</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

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:

- A Policy of non-discrimination has been documented. It was trained to all employees.
- There was no sign of discrimination on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or politics was found.
- The facility explicitly prohibited mandatory pregnancy testing as a condition of employment or continued employment.
- Salary and promotion were decided based on skill, experience only.

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

Details:

- Reviewing recruitment documents, Payrolls and time records, Disciplinary records confirmed that 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.
- Workers, Trade Union representatives and management interview.
- Policy review

Any other comments: None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>35</u> % A2: Female <u>65</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	39
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 <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: No evidence of discrimination found.

Professional Development

A: What type of training and development are available for workers?
 Workers were trained on occupational health and safety, first aid skills, firefighting skill, working skills, operation of machine.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?
 Yes
 No
 If no, please give details:

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: N/A
Recommended corrective action: N/A

Objective evidence observed:
 (where relevant please add photo numbers)
 N.A

Observation:

Description of observation: None observed
Local law or ETI requirement: N/A
Comments: N/A

Objective evidence observed:
 N.A

Good Examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed:
 N.A

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

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

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:

- Facility management had policy that agency or temporary workers were not allowed to use in the facility.
- Workers were recruited directly by HR team.
- Employment contracts accurately reflected the agreed payment and terms in the recruitment process and were understood and signed by workers. One copy of labour contract was kept by workers.
- There were 06 days of probation period for unskilled workers: 30 days for skilled workers and 60 days for college degree employees.
- Facility signed a definite labour contract of 12 months, after that the infinite contracts would be signed.
- Labour contracts were established to be 02 copies then signed by employees and management. Each party kept 01 copy.
- The payment records of the contribution to the insurance fund were available for review. And records to showed that employees receive the benefits of the insurance program such as sick leave, pregnant check, and maternity leave were available. In addition, the factory settled social insurance fee to local social insurance department till Feb 2022.

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

Details:

- Regular employment policy.
- Labour contract
- Employee file

- Record of social insurance
- Record of social benefit payment.
- Payroll and time record.
- Management and worker interview.

Any other comments: None

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: N/A

Recommended corrective action: N/A

Objective evidence observed:

(where relevant please add photo numbers)

N/A

Observation:

Description of observation: None observed

Local law or ETI requirement: N/A

Comments: N/A

Objective evidence observed:

NA

Good Examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed:

N/A

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

A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: NIL

B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?

- Yes
- No

B1: If yes, please describe details and specific category(ies) of workers affected: NIL

C: 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 workplace 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 – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

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 or permanent resident 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:	There were no migrant workers.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: B2: Total number of (outside of local country) recruitment agencies used:
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: 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 B1 – If other, please give details: N/A
C: If any checked, give details:	N/A

Agency Workers (if applicable)	
<i>(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.)</i>	
A: Number of agencies used (average):	A1: Names if available: There was no agency worker.
B: Were agency workers' age / pay / hours included within the 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 D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:

Contractors:	
<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>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: If Yes , please give evidence for contractor workers being paid per law:	N/A

8A: Sub-Contracting and Homeworking
[\(Click here to return to summary of findings\)](#)
[\(Click here to return to Key Information\)](#)

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:

Factory did not have sub-contractor and home-workers.

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

If any processes are sub-contracted – please populate below boxes

<i>Process Subcontracted</i>	<i>Process 1</i>	<i>Process 2</i>
<i>Name of factory</i>		
<i>Address</i>		
<i>Process Subcontracted</i>	<i>Process 3</i>	<i>Process 4</i>
<i>Name of factory</i>		
<i>Address</i>		
<i>Process Subcontracted</i>	<i>Process 5</i>	<i>Process 6</i>
<i>Name of factory</i>		
<i>Address</i>		

Details: N/A

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: N/A

Recommended corrective action: N/A

Objective evidence observed:

(where relevant please add photo numbers)

N/A

Observation:	
Description of observation: None observed Local law or ETI/Additional elements requirement: N/A Comments: N/A	Objective evidence observed: N/A

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: N/A

Summary of sub-contracting – if applicable			
<input checked="" type="checkbox"/> 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 or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:		
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details:		
C: Number of sub-contractors/agents used:			
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: 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			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:

D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
E: How does the site ensure worker hours and pay meet local laws for homeworkers?		
F: What processes are carried out by homeworkers?		
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:	
H: 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
[\(Click here to return to summary of findings\)](#)

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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>A1: Please give details: Grievance box, Trade Union meeting, email. Telephone.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Workers were aware of grievances channels, such as: suggestion boxes which were posed at workshop, mail address, telephone number of trade union chairman.</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>Suggestion boxes which were posed at workshop, mail address.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other <p>D1: Please give details: Suggestion boxes and direct meetings with trade union representatives to be resolved any grievance.</p>
<p>E: Are there any open disputes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>E1: If yes, please give details: No open disputes between workers and management.</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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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 clear policy to prohibit all harsh or inhuman treatment activities. This policy was posted at bulletin board for employees' reference.
- The internal working regulation was established and approved by local labour authority.
- Suggestion boxes was available at workplace. Grievance policy were established and implemented to let workers to report any harsh or inhuman treatment activities.
- No evidence of harassment / abuse / inhumane treatment was found during site tour, interview and records reviewing.
- Factory regulation, disciplinary practices documents were reviewed and noted that no physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were found in place.

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

Details:

- Review the relevant policy on prevention of harassment and abuse.
- Internal grievance procedure documentation.
- Training records.
- Management, worker, trade union representative interview.

Any other comments: None

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p>Local law and/or ETI requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>N/A</p>
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Observation:

<p>Description of observation: None observed</p> <p>Local law or ETI requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed:</p> <p>N/A</p>
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Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: N/A

10. Other Issue areas: 10A: Entitlement to Work and Immigration <i>(Click here to return to NC-table)</i>
<p align="center">Additional Elements</p> <p>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.</p>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p>Current systems:</p> <ul style="list-style-type: none"> - Workers had certificate from local authority that he/she is not criminal, in good health condition - Factory verified information of workers by required them to provide family books, personal card, personal profiles. These documents were copy version and were confirmed by local authority. - All workers had the proper legal rights to work in Vietnam. - The youngest age was over 18 years old. - All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. - No agency staff or foreign worker was used by the factory. <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> - Hiring procedure - Personnel files - Internal regulation - Collective bargaining agreement - Internal working regulation - Management and workers interviewing. <p>Any other comments: None.</p>

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p>Local law and/or ETI /Additional Elements requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>N/A</p>

Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed:</p> <p>N/A</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed:</p> <p>N/A</p>

10. Other issue areas 10B2: Environment 2–Pillar

[\(Click here to return to summary of findings\)](#)

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

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 general housekeeping in the production areas is in good conditions.
- All wastes including production, living and hazardous wastes are separated in storage.
- Environment protection policy was signed by top management on 25 Dec 2017 and communicated to all employees.
- Mr. Do Manh Thang / General Affairs Manager was appointed to monitor environment issued at facility since Jul 02, 2015.
- Based on the facility tour, it is observed that general housekeeping in the production areas is in good conditions and organizations.
- All wastes including production, living and hazardous wastes were separated in storage.
- Environment protection project was approved by Dong Nai Industrial Zones Authority on Dec 31, 2014.
- Environmental monitoring report was conducted every 06 months and two latest times were on May 31, 2021, and Nov 10,2021 with acceptable results.
- Owner registration of hazardous waste No. 75.000982.T (the 3rd change) was approved on Apr 29, 2016.
- Hazardous waste collecting and treating contract no. 1504/2022/HDKL-CN/TT-KBS with Thien Thanh Environmental Technology Co., Ltd. Term of contract from 01 Apr 2022 to 13 Apr 2023.
- Thien Thanh Environmental Technology Co., Ltd possessed a hazardous waste disposal license no. 1-2-3-4-5-6. 063.VX issued on Jun 10,2021 by Ministry of Natural Resources and Environment.
- The factory signed wastewater connecting contract to Long Thanh Industrial Park on Mar 01, 2011. There were payment records for review.

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

Details:

- Environmental policy
- Environment impact assessment report
- Energy bills, Water bills, Electric bill
- Worker and management interview and site tour
- Worker and management interview.

Any other comments: None

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p>None observed</p> <p>Local law and/or ETI/Additional Elements requirement: N/A</p> <p>Recommended corrective action: N/A</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>N/A</p>
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Observation:	
<p>Description of observation: None observed</p> <p>Local law or ETI/additional elements requirement: N/A</p> <p>Comments: N/A</p>	<p>Objective evidence observed:</p> <p>N/A</p>

Good examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed:</p> <p>N/A</p>

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

[\(Click here to return to summary of findings\)](#)

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:

Not audited

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

Details:

Any other comments:

Non–compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Not audited</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>
---	---

Observation:	
<p>Description of observation: Not audited</p> <p>Local law or ETI/Additional elements requirements:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE): Not audited</p>	<p>Objective Evidence Observed:</p>

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Not audited
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details:
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input 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 give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:
H: Have all legally required permits been shown? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:

<p>M: Does the facility have 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?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details:	
<p>N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _____	Current Year: Please state period: _____
Electricity Usage: Kw/hrs		
Renewable Energy Usage: Kw/hrs		
Gas Usage: Kw/hrs		
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input 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"> • • • 	<ul style="list-style-type: none"> • • •
Water Volume Used: (m ³)		
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
Water Volume Discharged: (m ³)		
Water Volume Recycled: (m ³)		
Total waste Produced (please state units)		
Total hazardous waste Produced: (please state units)		
Waste to Recycling: (please state units)		

Waste to Landfill: <i>(please state units)</i>		
Waste to other: <i>(please give details and state units)</i>		
Total Product Produced <i>(please state units)</i>		

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

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:

Not audited

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

Details:

Any other comments:

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Not audited</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>
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Observation	
<p>Description of observation:</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input type="checkbox"/> Internal Policy</p> <p><input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details:</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>B1: Please give details:</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>C1: Please give details:</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>D1: Please give details:</p>

Other findings

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>
<p>ETI Code / Additional Elements</p>	<p>Customer's Supplier Code equivalent</p>
<p>0.A. Universal Rights covering UNGP</p>	<p>0.A. Universal Rights covering UNGP</p>
<p>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.</p>	
<p>0.B. Management Systems & Code Implementation</p>	<p>0.B. Management Systems & Code Implementation</p>
<p>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.</p>	

<p>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.</p>	
<p>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>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.</p>	
<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>
<p>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.</p>	
<p>ETI 3. Working conditions are safe and hygienic</p>	<p>ETI 3. Working conditions are safe and hygienic</p>
<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. 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.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>ETI 4. Child labour shall not be used</p>

<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>	
<p>ETI 5. Living wages are paid</p>	<p>ETI 5. Living wages are paid</p>
<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>	
<p>ETI 6. Working Hours are not excessive</p>	<p>ETI 6. Working Hours are not excessive</p>
<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>	
<p>ETI 7. No discrimination is practised</p>	<p>ETI 7. No discrimination is practised</p>
<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>	
<p>ETI 8. Regular employment is provided</p>	<p>ETI 8. Regular employment is provided</p>
<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 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
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.	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
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	
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
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.	
10. Other issue areas 10B2: Environment 2-Pillar	
10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i>	

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
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	

<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>	
<p>Business Practices Section</p>	
<p>10C. Compliance Requirements</p> <p>10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.</p> <p>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.</p> <p>10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.</p> <p>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.</p> <p>10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,</p> <p>10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics</p> <p>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.</p> <p>10C. Guidance for Observations</p>	

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

NC Photo

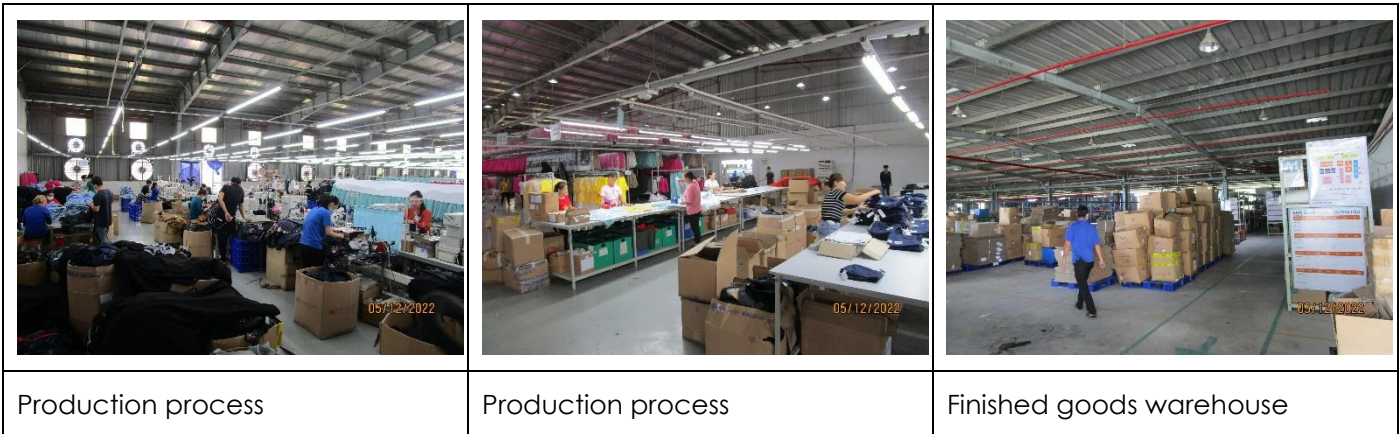
<p>NC01-02: No MSDS and secondary containment for chemical tank</p>	<p>NC03: The workers were not wearing mask during working time.</p>	<p>NC04: Eye guards were raised too high.</p>
		<p>Nil</p>
<p>NC05: The first aid boxes were not enough with 27 required first aid items.</p>	<p>NC06: Warning signs on the air compressor machine were not in the local language.</p>	

GE Photo

<p>Factory name</p>	<p>Main gate</p>	<p>Office building</p>



Factory overview Raw material warehouse Cutting process.












Production process Production process Finished goods warehouse



Automatic fire alarm central Assembly point Sprinkler system at production areas



Fire alarm device Fire alarm pull station Fire escape map

Beam fire detector	Fire alarm calling point	Evacuation map
		
Fire extinguishers	Fire pump	Fire hose
		
CCTV monitoring system	Time attendance machine (fingerprint)	First aid room
		
Dining area	Boiler room	Parking area



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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:

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[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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