



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC417281209	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS417499804	
Business name (Company name):	SH VIET NAM COMPANY LIMITED			
Site name:	SH VIET NAM COMPANY LIMITED			
Site address:	241, Hung Loc quarter, Hung Dinh ward, Thuan An city Binh Duong Province 750000 VN	Country:	VN	
Site contact and job title:	Le Thi Hoai An / HR Manager			
Site phone:	84 0274 3726 838	Site e-mail:	hr@shvietnam.vn	
SMETA Audit Pillars:	☒ Labour Standards	☒ Health and Safety (plus Environment 2-Pillar)	☒ Environment 4-pillar	☒ Business Ethics
Date of Audit:	2024-01-03			

Audit Company Name:
TÜV SÜD Vietnam Co., Ltd.

Audit Conducted By					
Affiliate Audit Company	☒	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) 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.

Auditor Team			
Lead Auditor:	Van Hanh Pham	APSCA Number:	21701663
Additional Auditors:	CONG BUI VAN		32200228
Date of declaration:	2024-01-04		

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.

Site Representation	
Full Name:	Le Thi Hoai An
Title:	HR Manager
Date of declaration:	2024-01-04
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>	0.A.1 0.A.2 0.A.3 0.A.4 0.A.5 0.A.6		0	6	0	Obs - ZAF600294048 Obs - ZAF600294049 Obs - ZAF600317445 Obs - ZAF600317446 Obs - ZAF600317447 Obs - ZAF600317448
<u>0B - Management systems and code implementation</u>	0.B.3 0.B.3 0.B.5		3	1	0	NC - ZAF600294020 NC - ZAF600317449 NC - ZAF600317451 Obs - ZAF600294050
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>	2.1		1	0	0	NC - ZAF600294021
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.2 3.2 3.3	§1 §10 §11 §12 §13 §2 §3 §4 §5 §6 §7 §8 §9	13	0	0	NC - ZAF600294022 NC - ZAF600294023 NC - ZAF600294024 NC - ZAF600294025 NC - ZAF600294026 NC - ZAF600294027 NC - ZAF600294028 NC - ZAF600294029 NC - ZAF600294030 NC - ZAF600294031 NC - ZAF600317442 NC - ZAF600317443 NC - ZAF600317444
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1 5.1 5.1 5.1 5.1	§14 §15 §16 §17 §18	5	0	0	NC - ZAF600294032 NC - ZAF600294033 NC - ZAF600294034 NC - ZAF600294035 NC - ZAF600317450
<u>6 - Working hours are not excessive</u>	6.1 6.3 6.5	§19 §20	3	0	0	NC - ZAF600294036 NC - ZAF600294037 NC - ZAF600294038
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>	8.1	§21	1	0	0	NC - ZAF600294039
<u>8A - Subcontracting and homeworking</u>	8.A.1 8.A.2		2	0	0	NC - ZAF600294040 NC - ZAF600294041
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>	10.B4.1 10.B4.6 10.B4.6 10.B4.7 10.B4.8 10.B4.8	§22 §23 §24 §25 §26	6	0	0	NC - ZAF600294042 NC - ZAF600294043 NC - ZAF600294044 NC - ZAF600294045 NC - ZAF600294046 NC - ZAF600294047
<u>10C - Business ethics 4-pillar</u>	10.C.7		1	0	0	NC - ZAF600317452

Local Law Issues

Issue	Description
§1	Decree No. 2279/VBHN-BLĐTBXH, Article 22 / Article 22. Standards of the trainer of occupational safety and sanitation The trainer of occupational safety and sanitation (hereafter referred to as trainer) must meet the following standards: 1. Training of content of system of law on occupational safety and sanitation The trainer of content of system of law on occupational safety and sanitation must have university degree or higher educational level and have at least 5 years working as the developer of policies, laws, management and inspection over occupational safety and sanitation at the bodies having functions and duties directly related to the occupational safety and sanitation.
§2	Decree No. 39/2016/ND-CP, Article 4 / Article 4. Contents of control over dangerous and harmful factors at workplace 1. Identify and assess the dangerous and harmful factors. 2. Determine the objectives and measures to prevent and control dangerous and harmful factors. 3. Implement and assess the effectiveness of measures to prevent and control dangerous and harmful factors.
§3	Law No. 84/2015/QH13, Article 21 / Article 21. Health check-ups and treatment for occupational diseases applicable to employees 1. Annually, an employer shall organize health check-ups at least once a year for employees; and health check-ups at least twice a year for employees doing heavy and harmful jobs and disabled, underage and elderly employees. 2. Beside regulations prescribed in Clause 1 of this Article, the employer shall organize obstetric checks for female employees, and occupational disease checks for employees who work in conditions with hazards of occupational diseases.
§4	Circular No. 19/2016/TT-BYT. Article 6. Requirements for first aid kits 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.
§5	Circular No. 25/2022/TT-BLĐTBXH, Article 5 / Article 5. Rules for providing PPE 1. Employers must assess and control dangerous, hazardous factors at workplace as per the law; adopt technology solutions, occupational safety and hygiene techniques, equipment in order to eliminate or minimize effects of dangerous and hazardous factors, and improve working conditions before providing PPE. 2. Employers shall list and provide PPE for employees in accordance with the list under Appendix attached hereto.
§6	Law No. 84/2015/QH13, Article 7 / Article 7. Rights and obligations of employers in terms of occupational safety and hygiene 2. Every employer has the following obligations: a) Implement and cooperate with relevant agencies or organizations in assurance of occupational safety and hygiene at the workplace within their responsibility to employees and relevant persons; and pay insurance premiums for employees; b) Provide training in regulations, internal regulations, and measures for occupational safety and hygiene; provide adequate occupational equipment or tools to ensure occupational safety and hygiene; provide healthcare and occupational disease check-ups; carry out adequate policies applicable to victims; c) Do not compel employees to keep working or to return their workplace when the hazards of occupational accidents that seriously threatens lives and health of the employees still exist;
§7	QCVN 06:2022/BXD, Point 3.2.3 / 3.2.3 Exits are not considered exit accesses if sliding doors, folding doors, roller shutters, or revolving doors are installed along the way.

§8	Decree No. 136/2020/NĐ-CP, Article 5 / Article 5. Fire safety requirements applicable to facilities 1. Any facility mentioned in the list in Appendix III enclosed therewith must satisfy the following fire safety requirements: e) The fire safety and firefighting authority (hereinafter referred to as "firefighting authority") has issued a certificate of design appraisal and design appraisal document (if any) and written approval of fire safety commissioning results for projects and works included in the list in Appendix V enclosed therewith, excluding national defense facilities operating for military purpose and motor vehicles subject to special fire safety requirements manufactured or converted for military purpose by national defense facilities.
§9	TCVN 3890:2023, Article 5.3 / 5.3 Equipment and installation of automatic fire extinguishing systems and equipment. 5.3.1 The list of buildings; items/areas; rooms and equipment subject to equipment and installation of automatic fire extinguishing systems and equipment is provided in Annex A.
§10	Law No. 84/2015/QH13, Article 5 / Article 5. Rules for occupational safety and hygiene assurance 1. Respect the right of employees to have safe and hygienic working conditions. 2. Implement all measures for occupational safety and hygiene during the course of work; give priority to measures for prevention, elimination and control dangerous or harmful factor during the performance of work. 3. Consult with trade unions, employer representative, Councils of occupational safety and hygiene about development and implementation of policies, law, programs and plans for occupational safety and hygiene.
§11	QCVN 06:2022/BXD, Point 1.4.16 / 1.4.16 - means of egress - Refers to a path of travel which allows humans to head outside or enter safe areas, refuge floors, fire emergency holding areas and guarantees safe evacuation of humans in case of fire.
§12	Law No. 28/2004/QH11, Article 57 / Article 57.- Safety in use of electricity for production 1. Organizations and individuals using electricity for production must comply with the regulations on electric safety, regulations and technical standards on electric safety must conform with Vietnamese standards. 2. Electric equipment, systems of electric equipment, lightning-arresting and earthed systems must be pre-acceptance tested, periodically and extraordinarily checked according to the electric safety regulations and technical standards. The diagrams of these systems must be compatible with actual positions and be archived together with inspection minutes throughout the course of operation. 3. The internal transformer stations, high-voltage equipment and transmission lines must be installed and managed according to electric safety regulations and technical standards.
§13	Circular No. 149/2020/TT-BCA, Article 10 / Article 10. Time limit for firefighting plan drills 1. Drills of facility firefighting plans mentioned in Point a Clause 3 Article 19 of Decree No. 136/2020/ND-CP must take place at least once a year and on an ad hoc basis upon request for assurance of fire safety of special local political, economic, cultural and social events. Each drill may include one or more than one fire scenario but all scenarios in the plan must be featured in a drill.
§14	Labor Code 45/2019/QH14, Article 48. Responsibilities of the parties upon termination of an employment contract 1. Within 14 working days following the termination of an employment contract, both parties shall settle all payments in respect of the rights and interests of each party. In the following cases, such period may be extended, but shall not exceed 30 days.
§15	Labor Code No. 45/2019/QH14. Article 113. Annual leave 1. Any employee who has been working for an employer for 12 months is entitled to fully-paid annual leave, which is stipulated in his/her employment contract as follows: a) 12 working days for employees who work in normal working conditions; b) 14 working days for employees that are minors, the disabled, employees who do laborious, toxic or dangerous works; c) 16 working days for employees who do highly laborious, toxic or dangerous works.
§16	Circular No. 11/2020/TT-BLĐTBXH dated 12/11/2020

§17	Occupational Safety and Hygiene Law No. 84/2015/QH13, Art 74, 5. Each occupational safety and hygiene officer has rights to: a) Receive sufficient information about measures for occupational safety and hygiene assurance at the workplace conducted by the employer; b) Take time to perform tasks of an occupational safety and hygiene officer with full salary and receive responsibility benefit. The responsibility benefit levels shall be jointly agreed by the employer and the Executive board of internal trade union and mentioned in the Operation regulation of the network of occupational safety and hygiene officers.
§18	Decision No. 922/VBHN-BHXH, Article 6 / Article 6. Monthly salaries as the basis for payment of compulsory social insurance according to Article 89 of the Law on Social Insurance and its instructional documents 1. Salaries paid by the State 1.1. Regarding an employee whose salary is paid by the State, the monthly salary as the basis for payment of compulsory social insurance is the salary plus (+) position allowance and seniority pay (if any). This salary is calculated according to the statutory pay rate. The monthly salary as the basis for payment of compulsory social insurance mentioned in this Point includes reserved difference coefficient specified by salary laws. 1.2. The monthly salary as the basis for payment of compulsory social insurance of the employee specified in Point 1.6 Clause 1 Article 4 is the statutory pay rate.
§19	Clause 2&4 of Article 137, Labour Code No # 45/2019/QH14
§20	Labor Law No. 45/2019/QH14, Article 107. Overtime work 1. Overtime work is the duration of work performed at any other time than during normal working hours, as indicated in the law, collective bargaining agreement or internal labor regulations of an employer. 2. An employer has the right to request an employee to work overtime when all of the following conditions are met: a) The employee agrees to work overtime; b) The number of overtime working hours of the employee does not exceed 50% of the normal working hours in 01 day; in case of weekly work, the total normal working hours plus overtime working hours shall not exceed 12 hours in 01 day, and 40 hours in 01 month;
§21	Labor Code No. 45/2019/QH14, Article 14. Forms of employment contract 1. An employment contract shall be concluded in writing and made into two copies, one of which will be kept by the employee, the other by the employer, except for the case specified in Clause 2 of this Article. An employment contract in the form of electronic data conformable with electronic transaction laws shall have the same value as that of a physical contract. 2. Both parties may conclude an oral contract with a term of less than 01 month, except for the cases specified in Clause 2 Article 18, Point a Clause 1 Article 145 and Clause 1 Article 162 of this Labor Code. Article 20. Types of employment contracts 1. An employment contract shall be concluded in one of the following types: a) An indefinite-term employment contract is a contract in which the two parties neither fix the term nor the time of termination of the contract; b) A fixed-term employment contract is a contract in which the two parties fix the term of the contract for a duration of up to 36 months from the date of its conclusion.
§22	Law No. 72/2020/QH14; Article 44 / Article 44. Renewal, adjustment, re-issuance, suspension and revocation of environmental license 3. An environmental license may be re-issued in the following cases: a) The license expires; b) The investment project, business, dedicated area for production, business operation and service provision or industrial cluster makes any of the changes in the total scale, capacity or technology production or another change resulting in adverse impacts on the environment, except for the case where the investment project making the change is not subject to EIA.

§23	Law No. 72/2020/QH14, Article 37 / Article 37. Responsibility of investment project owner after obtaining decision on approval of EIAR appraisal result 1. Revise contents of the investment project and EIAR in conformity with environmental protection contents and requirements set out in the decision on approval of EIAR appraisal result. 2. Fully comply with the decision on approval of EIAR appraisal result. 3. Send a notification of completion of environmental protection work to the authority approving EIAR appraisal result before officially putting the project into official operation in the case where the project is not required to obtain the environmental license.
§24	Law No. 72/2020/QH14; Article 39 / Article 39. Obligated applicants for environmental license 1. Group I, II and III projects that generate wastewater, dusts and exhaust gases that must be treated into the environment or generate hazardous waste that must be managed in accordance with regulations on waste management before officially being put into operation. 2. Investment projects, dedicated areas for production, business operation and service provision and industrial clusters operating before the effective date of this Law and applying environmental criteria as the projects mentioned in Clause 1 of this Article.
§25	Decree No. 02/2023/NĐ-CP, Article 17 / Article 17. Works for water resources exploitation and use for which registration and licensing are required 1. Works for water resources exploitation and use for which registration is required include: c) Works for groundwater exploitation and use prescribed in Point a Clause 2 Article 16 hereof and those prescribed in Point a Point d Clause 1 Article 44 of the Law on Water Resources, specified in the list of areas restricted groundwater exploitation published by the Provincial People's Committees;
§26	Circular No. 17/2021/TT-BTNMT, Article 13 / Article 13. Supervision of extraction of groundwater 2. Supervision methods: d) Regarding a work with a capacity of more than 10 m3 to less than 200 m3 per 24 hours: carry out periodic supervision of the parameters specified in Points a, b and c Clause 1 of this Article.

Site Details

Site Details		
Company Name	SH VIET NAM COMPANY LIMITED	
Site Name	SH VIET NAM COMPANY LIMITED	
GPS location (if available)	GPS Address:	Plot of land No. 21, Map sheet 4, Hung Loc Quarter (241 Hung Loc Quarter), Hung Dinh Ward, Thuan An City, Binh Duong Province, Vietnam
	Coordinates:	10.945920521007112, 106.7054673078106
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The factory was operated under the certificate of registration of business license No. 3700374359 issued first time on 27 Sep 2010 and last updated on 24 May 2022.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	The main products produced on site were backpack, bag, baby carrier. The main production processes of the factory were material, cutting, preparing, sewing, inspection, packing, and finishing goods. The main machine list of the facility is: sewing machines, cutting machine, laser cutter, pressing machine, fabric spreading machine, packing machine, metal detectors, air compressors, forklifts.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The factory has rented these lands and buildings. Buildings were building from 2003. With a total land area of 6.400 square meters, the factory had 04 main buildings. Supporting areas were security room, parking lots, waste storage areas, fire pump station, wastewater treatment, generator.	

Structure and number of buildings	Building Name:		Building No. 1	
	Floor	Description	Remark	
	Floor 1	Sewing section, inspection, packing section	None	
	Floor 2	Sample room, meeting room, office	None	
	Building Name:		Building No. 2	
	Floor	Description	Remark	
	Floor 1	Accessories warehouse, fabric warehouse, cutting section	None	
	Building Name:		Building No. 3	
	Floor	Description	Remark	
	Floor 1	Lazer cutting section, inspection & packing section, eating area	None	
	Floor 2	Eating area	None	
	Building Name:		Building No. 4	
	Floor	Description	Remark	
	Floor 1	Management office	None	
	Floor 2	Medical room, office	None	
	Floor 3	Kitchen for director	None	
Visible structural integrity issues (large cracks) observed?	☐ Yes ☒ No Please give details: Nil			
Does the site have a structural engineer evaluation?	☒ Yes ☐ No Please give details: The factory had a structural engineer evaluation No.75/2021/CN, valid to Dec 24, 2024.			
Site function	☐ Agent ☒ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack house ☐ Primary Producer ☐ Service Provider ☐ Sub-contractor			
Months of peak season	November to December			

Process overview	The main products produced on site were backpack, bag, baby carrier. The main production processes of the factory were material, cutting, preparing, sewing, inspection, packing, and finishing goods. The main machine list of the facility is: sewing machines, cutting machine, laser cutter, pressing machine, metal detectors, air compressors, forklifts.
What form of worker representation is there on site?	☒ Union ☐ Worker Committee ☐ Other ☐ None
Please give details:	Trade Union of SH VIET NAM CO., LTD
Is there any night production work at the site?	☐ Yes ☒ No
Are there any on site provided worker accommodation buildings	☐ Yes ☒ No Please give details:
Are there any off site provided worker accommodation buildings	☐ Yes ☒ No Please give details:
Were all site provided accommodation buildings included in this audit	☐ Yes ☒ No Please give details: N/A. The factory did not provided any accommodation buildings to employees

Audit Parameters					
Time in and time out	Day 1		Day 2		
	In	08:00	In	08:00	
	Out	17:00	Out	17:00	
Audit type:	PERIODIC				
Was the audit announced?	ANNOUNCED				
Was the Sedex SAQ available for review?	Yes				
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No				
Who signed and agreed CAPR	Le Thi Hoai An / HR Manager				
Is further information available	No				

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	No	Yes
B: Present at the audit?	Yes	No	Yes
C: Present at the closing meeting?	Yes	No	Yes
<i>Reason for absence at the opening meeting</i>	N/A. Worker Committee was not mandatorily established in place in line with local laws.		
<i>Reason for absence during the audit</i>	N/A. Worker Committee was not mandatorily established in place in line with local laws.		
<i>Reason for absence at the closing meeting</i>	N/A. Worker Committee was not mandatorily established in place in line with local laws.		

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	12	0	0	141	0	0	0	153
Worker numbers – female	85	0	0	503	0	0	0	588
Total	97	0	0	644	0	0	0	741
Number of Workers interviewed – male	2	0	0	11	0	0	0	13
Number of Workers interviewed – female	8	0	0	23	0	0	0	31
Total – interviewed sample size	10	0	0	34	0	0	0	44

Nationalities Structure		
Nationality of Management	South Korean	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Vietnamese	approx %: 100%
Was this list completed during peak season?	☒ Yes ☐ No Please give details:	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	100%
	Salaried:	0%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	Nil

Worker Interview Summary	
Were workers aware of the audit?	☒ Yes ☐ No
Were workers aware of the code?	☐ Yes ☒ No
Number of group interviews:	6 groups of 5
Number of individual interviews:	Male: 2 Female: 12
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.	☒ Yes ☐ No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☒ Yes ☐ No
In general, what was the attitude of the workers towards their workplace?	☒ Favorable ☐ Non-favourable ☐ Indifferent
What was the most common worker complaint?	The employees has not any complaint during employees' interview.
What did the workers like the most about working at this site?	The employees were satisfied with their working hours, salary and working environment. The factory provided free meal for employees.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	The employees were satisfied with their working hours, salary and working environment
Is there any worker survey information available?	☐ Yes ☒ No Please give details:

Attitude of workers:

Confidential interviews were conducted with 44 sampled population workers selected from various sections and interviewed in a confidential manner, including interviewing 01 employee from the Environment department and 01 employee from the purchasing departments to determine Business Ethics requirements. In the interview process, the workers were honest. They were positive toward the management and the company. All interviewed employees stated that they were free to leave the factory premise if their shift ends. Overtime was voluntary and paid 150% salary (on weekdays). All interviewed workers confirmed that the management treated workers with dignity and respect.

Attitude of worker's committee/union reps:

Interviews with the trade union members they were satisfy with the working conditions, they were supported by the factory management, they were not prohibited to perform their tasks, and they stated that they could give suggestions on all parts of the site's practices.

Attitude of managers:

The factory management cooperated with the audit and audit process. 02 managers in charge of the environment and Business ethic have been chosen for an interview to clarify the requirements related to Environment 4 pillars. They provided all relevant documents related to the social audit to the auditor for review, accompanied the auditor on a factory tour, allowed the auditor to photograph documents, and arranged a private room for interviewed employees. The auditor gave the factory representative a general overview of the audit day and communicated the findings. Meanwhile, the auditor made corrective recommendations to factory representatives based on the findings. They accepted the findings and agreed to correct them in order to improve working conditions for employees.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
0.A.3 Businesses shall identify their stakeholders and salient issues.
0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

-The factory has policy or statement which expresses the businesses commitment to respect human rights
-The factory has designated person with responsibility for management of Human rights impacts.
-The factory has not identified their stakeholders and salient issues
-The factory has not measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
-The factory has no transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter

Evidence examined:

- Document review:
+ Training record
+ Human right policy and procedure
+ Assignment decision
- Employee and management interview.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory had established the human rights impact policy

Are the policies included in workers' manuals?

☐ Yes ☒ No

Please give details:

The factory had established the human rights impact policy but not included in the workers' manuals.

Does the business have a designated person responsible for implementing standards concerning Human Rights?

☒ Yes ☐ No

Please give details:

The factory designated person responsible for implementing standards concerning Human Rights.

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?	☐ Yes ☒ No Please give details: The factory did not establish a transparent system for reporting confidentially and dealing with human rights impacts without fear of retaliation against the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☐ Yes ☒ No The facility had not established grievance mechanism meet UNGP expectations.
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☒ Yes ☐ No Please give details: The factory has established the data privacy procedures for workers' information and all the workers information was kept confidential.
Measuring Workplace Impact	
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))	Last year 13.0% This year 12.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	9.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 7.0% This year 6.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	5.0%
Are accidents recorded?	☒ Yes ☐ No Please give details: Factory has template for recording the labour accident and has annual labour accident record that submitted to local authorizer semi-annually.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.01% This year 0.01%

Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.01%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	79.3%
	12 month	79.3%

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0B - Management Systems and code Implementation [Summary of Findings]

0B: Compliance Requirements

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
0.B.3 Suppliers are expected to communicate this Code to all employees.
0.B.4 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.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:

- The facility has documented policies that prohibit forced labour and supporting procedures addressing each clause of the ETI Code and legal requirements. All policies and procedures were up-to-date, approved by management, and complied with the legal requirements. All policies were available for review.
- The management has communicated the policies and procedures to all workers by displaying them on a notice board in the local language, and conducting regular trainings.
- The facility has appointed Ms. Le Thi Hoai An - HR Manager, to implement any changes and monitor the compliance of the factory's policies, procedures, and practices with the code and applicable legal requirements.
- The factory has displayed the ETI Code in local language on their notice board.

Evidence examined:

- ETI Base code
- Client's code of conduct at the factory
- Social compliance policies & procedures

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes ☒ No

Please give details:

In last 12 months, the facility has not been charged of any fines for non-compliance to local laws and regulation.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

The facility has policies and corresponding procedures on forced labour, child labour, discrimination, harassment, and abuse. The policies and correspondence procedures were established in 2023 and reviewed on a yearly basis.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	The facility declared policies and procedures complying with the buyer's requirements, the ETI Base Code, and local labor laws and rules. All policies and procedures are displayed throughout the organization to communicate with workers. Besides, facility included policies and procedure in the workers training materials. The workers shown their understanding on local labour and regulation, especially on grievance system, working hours, benefits and working condition.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No Please give details: The facility declared policies and procedures complying with the buyer's requirements, the ETI Base Code, and local labor laws and rules. All policies and procedures are displayed throughout the organization to communicate with workers. Besides, facility included policies and procedures in the workers training materials. The workers shown their understanding on local labour and regulation, especially on grievance system, working hours, benefits and working condition.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☐ Yes ☒ No Please give details: Documented training records including training material, training minutes and attendance lists were not verified and crossed checked during management and worker interview. Workers were not aware about the training contents during interview.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	☒ Yes ☐ No Please give details: The factory had a internationally recognised system certification: ISO 9001:2015, No. FM 650425, valid to 05 Apr 2025, issued by BSI
Is there a Human Resources manager/department?	☒ Yes ☐ No Facility declared HR Team to identify, provide and track employee-training requirement, for all employees in the organization, HR Leader is responsible to follow this procedure & monitor the update status of the activities.
Is there a senior person /manager responsible for implementation of the code?	☒ Yes ☐ No Please give details: Ms. Le Thi Hoai An
Is there a policy to ensure all worker information is confidential?	☒ Yes ☐ No Please give details: Documented policy procedure found in place which declared details about the confidentiality regarding employee information, HR Department is responsible regarding this.
Is there an effective procedure to ensure confidential information is kept confidential?	☒ Yes ☐ No Please give details: Documented policy procedure found in place which declared details about the confidentiality regarding employee information, HR Department is responsible regarding this.

Are risk assessments conducted to evaluate policy and procedure effectiveness?	☒ Yes ☐ No Please give details: Facility declared a risk assessment that covered fire, building, and production processes. Risk assessment is communicated with workers.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☒ Yes ☐ No Please give details: Facility management declared that the risk assessment covered all processes at the facility. Besides, risk assessment is under management review regularly, and if anything is raised, the concerned person is responsible for reporting it to the concern department head and the compliance department.
Does the facility have a policy/code which require labour standards of its own suppliers?	☒ Yes ☐ No Please give details: A documented policy and procedure was found in place to cover international buyers' COCs.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☒ Yes ☐ No Please give details: The facility has obtained legal documents such as a business license, a fire safety document, and a land using rights certificate as per legal requirements. Certificate of Land Using Rights No. 55/QSDĐ/2004, dated Mar 08, 2004, issued by the People's Committee of Binh Duong
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☒ Yes ☐ No Please give details: The facility issued the policy and procedure for law updates and obtained membership at the online Vietnam law website: "thuvienphapluat.com" for periodic and timely law updates.
Does the site have a written policy and procedures specific to land rights?	☒ Yes ☐ No Please give details: The facility established related policy & procedure specific to land rights including the due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require & verified by the auditor to comply with the related law & regulation
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	☒ Yes ☐ No Please give details: Evidence of payment for land using tax every year.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☒ No Please give details: Not applicable

Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	☐ Yes ☒ No Please give details: Not applicable
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1 - Freely chosen Employment

[Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The facility had established a written policy and procedure on the prohibition of forced labour.
- Interviewed worker and observed on-site and found that:
- Original documents were kept by employees.
- No employment fee was required as a condition of employment.
- All employees had the right to leave the workplace premises after completing the standard workday and free to go to toilet or access portable water.
- Employees were free to terminate their employment that they gave reasonable notice to their employer.
- There was no foreigner migrant workers in the facility, all workers were domestic workers.
- There was no evidence of forced, bonded or prison labour in the facility.

Evidence examined:

- Policy and procedure on prohibition forced labour
- Company Internal Regulation
- Labour contracts
- Personnel record of selected samples
- Resignation letter and payment records
- Overtime registration records.
- Resignation document
- Wage record

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Are there any restrictions on workers' freedom to terminate employment?

☐ Yes ☒ No

Please give details:

The workers were free to terminate employment anytime if they desired.

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?	☐ Yes ☐ No ☒ Not Applicable Please give details: Nil
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☒ No Please give details: Workers were free to leave the job site at the end of the working day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☒ Yes ☐ No ☐ Not Applicable Please give details: The factory established the forced/trafficked/bonded labour policy and all the policies were posted on the bulletin boards of the factory. In addition, trainings about the related policies were provided to employees via orientation training, posted on the notice board.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☒ Yes ☐ No Please give details: The factory established a forced, trafficked, and bonded labour policy, and all the policies were posted on the bulletin boards of the factory. In addition, training about the related policy was provided to employees via orientation training and posting on a notice board.

2 - Freedom of Association and Right to Collective Bargaining are Respected [Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory had established policy of freedom of association and collective bargaining in place. The factory also had a democracy policy, workers' conference policy and dialog procedures to respect and ensure the right of freedom of association and dialog in the factory.
- The Trade Union was established on 28 Jun 2021 and was recognized by the local Trade Union.
- There were 05 members in Trade Union Executives from various levels and functions elected by workers. And Mr. Tran XXX XXXX was elected for the Trade Union Chairman at site.
- CBA was established on 08 Aug 2023, and it was submitted to local labor department accordingly.
- The workers were free to join a trade union. The workers could contact their representatives for any grievance (if any). If there is any request, trade union and factory management representatives would conduct a meeting to solve the issue(s) or concerns of employees accordingly.
- The trade union at the site conducted annual dialog meetings, and the meeting minutes were retained.
- There was not any evidence of discrimination non-unionized workers against unionized members in the factory.

Evidence examined:

- The updated internal company regulation
- Policy on freedom of association
- Trade union committee election records
- Collective Bargaining Agreement
- Trade union minutes of meeting quarterly.
- Conference meeting minutes
- Dialog meeting minutes
- Worker interview
- Management interview
- Trade union member interview.

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	☒ Union ☐ Worker Committee
	☐ Other ☐ None
Other details:	Trade Union of SH Viet Nam Co., Ltd.
Is it a legal requirement to have a union?	☐ Yes ☒ No
Is it a legal requirement to have a worker's committee?	☐ Yes ☒ No

Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	☒ Yes ☐ No Please give details: Suggestion box, hotline, meeting
Is there evidence of free elections?	☒ Yes ☐ No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☒ Yes ☐ No Please give details: The facility provided meeting room for the Union to hold the meeting whenever needed.
Name of union and union representative, if applicable:	Trade union of SH Viet Nam Co., Ltd.; Mr. Tran xxx xxxx was chairman and voted by employees
Is there evidence of free elections?	☒ Yes ☐ No ☐ Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	N/A
Is there evidence of free elections?	☐ Yes ☐ No ☒ Not Applicable
Are all workers aware of who their representatives are?	☒ Yes ☐ No Please give details: All interviewed workers were aware of Mr. Tran xxx xxxx is the chairman of trade union
Were worker representatives freely elected?	☒ Yes ☐ No
Date of last election:	2021-06-22
Do workers know what topics can be raised with their representatives?	☒ Yes ☐ No
Were worker representatives/union representatives interviewed?	☒ Yes ☐ No
If Yes, please state how many:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The facility provided a meeting room for the union to hold meetings whenever needed. The last meeting was on November 02nd, 2023, to discuss salary, employment contract, OHS, ...
Are any workers covered by Collective Bargaining Agreement (CBA)?	☒ Yes ☐ No
If Yes, what percentage by trade Union/worker representation	100% workers covered by Union CBA. 0% workers covered by worker rep CBA.
If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	☒ Yes ☐ No

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3 - Working Conditions are Safe and Hygienic [Summary of Findings]

3: Compliance Requirements

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management

- The factory has assigned Ms. Le Thi Hoai An - HR Manager, Mr. Trinh Hoang Trung - SOE, Ms. Dao Thi Cam Hong - Medical Staff had been assigned for HSE responsibility.
- The facility has obtained legal documents such as construction permits, inspection test for building construction, appraisal of fire safety design, and approval of fire safety commissioning results from local authorities for the original building.
- The factory had Health and Safety committee with 06 members.
- Health and safety policy and procedures were established in place.
- OHS training was provided annually to the workers. The latest OHS training for the workers was provided on Dec 2023.
- Risk assessment is conducted, and covered the risk for almost sections in production process.
- Toilets segregated by gender were available at all times to employees.
- Sufficient drinking water is provided for employees and regularly inspected by a licensed agent. The latest drinking water check was on Oct 16th, 2023
- Accident report was regularly submitted to the authority department.
- Working environment inspection was conducted on Oct 12th, 2023.

2. Fire Safety

- There are at least 2 exits from each work area and these were clearly marked; emergency exit lights and signs were installed at emergency exits.
- Firefighting equipment was installed sufficiently for all the factory buildings.
- Evacuation plans are posted in all areas of the facility.
- Firefighting plan was established and approved by fire police.
- Internal inspection of firefighting and prevention system on a monthly basis, and maintained by the qualified suppliers on a semi-annual basis.
- A firefighting team with 27 members was established. The firefighting team were trained and certified on Dec 10~11, 2021. The factory did not conducted fire training for firefighting team on 2023.
- The factory conducted the fire drill training by the internal team once per year, but did not conduct drill according to the approved fire-fighting plan with presence and guidance from the fire police department in the last 12 months until the audited date, the most recent internal drill was on Jun 23, 2023
- Insurance Contract of Fire & Explosion contract and certificate took valid until Nov 09, 2024.

3. Electrical safety and machine safety.

- The electrician in the facility is qualified to inspect and maintain the electrical system in the facility.
- Warning signs are posted on the electrical panel. The inner cover is equipped with electrical panels.
- Machines and equipment have strict requirements on health and safety such as air-compressor were inspected by a licensed agent with effective validation
- Machines and equipment are inspected and maintained regularly as per the company plan.

4. Chemical safety.

- Chemical were stored in secondary container.
- Safety Data Sheet is available in areas where chemicals are stored and used.
- Eye-wash stations are fully equipped in the facility.
- Chemical safety training was conducted for workers handling chemicals.

5. Medical services

- The first-aid kits were fully equipped as per legal requirement
- The first aid team with 15 members was trained and issued certificates on Dec 19th, 2023.
- Health check was provided regularly for employees semi-annually. The latest health check was on Dec 11th, 2023. The occupational medical examinations were not conducted as per law.

Evidence examined:

- Land renting contract/ Certificate of land use right
- The firefighting and evacuation drill records.
- The fire safety training record
- Lightning protection inspection
- Labour Protection Regulation
- Risk assessment for occupational health and safety.
- Occupational environment inspection report
- Training plan of the factory was maintained.
- OHS Training records
- PPE policy and PPE issuing log was maintained.
- Machine and equipment maintenance records were maintained.
- Working environment measurement report
- Machine maintenance records
- Health check records
- Machine operating safety procedures.
- Chemical inventory list
- Safety data sheets,...

Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☒ Yes ☐ No Please give details: The factory established the general and occupational Health & Safety policies and procedures and the HSE training was conducted annually for all employees.
Are the policies included in workers' manuals?	☐ Yes ☒ No Please give details: The policies did not include in worker's manual, but posted on the bulletin boards of the factory.
Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☒ No Please give details: During audit day, there was not any structural additions without required permits/inspections
Are visitors to the site informed on H&S and provided with personal protective equipment?	☒ Yes ☐ No Please give details: All the visitors were generally informed on H&S and provided with the personal protective equipment.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	☒ Yes ☐ No Please give details: The factory also has a clinic room for workers. The factory signed a contract with a local hospital to take care of employees health, which is in line with legal requirements.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☒ Yes ☐ No Please give details: The factory had 01 nurse, and also had first aid team. The factory signed a contract with a local hospital to take care of employees health, which is in line with legal requirements.

Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☒ No Please give details: N/A. The factory did not provide free transportation for all employees.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☒ No Please give details: N/A. The factory did not provide the free dormitory for the employees.
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?	☒ Yes ☐ No Please give details: The factory had conducted the health and safety risk assessment as per legal requirement. The risk assessment has been reviewed and updated annually.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☐ Yes ☒ No Please give details: The site met its legal obligations on environmental requirements, but not including required permits for use and disposal of natural resources.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☒ Yes ☐ No Please give details: There were no banned chemicals used in production. The factory was following legal requirements on the use of banned chemicals.

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Actions	The factory had assinged OHS staff to attend OHS trainer course on 23-29 May 2022.	
Additional comments	The factory had assinged OHS staff to attend OHS trainer course on 23-29 May 2022. Through document review, worker and management interview, the factory had assinged OHS staff to attend OHS trainer course on 23-29 May 2022. The OHS trainer certificate was maintained and provided for review.	

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Follow up method	☐ Follow up audit ☒ Desktop audit	
Timescale	☐ Immediate ☒ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other	
Actions	It is recommended that the factory shall conduct annual OHS risk assessment cover all pontial risks at workplace (Ghi nhận nhà máy nên thực hiện đánh giá rủi ro định kỳ hàng năm bao gồm tất cả các rủi ro tiềm ẩn tại nơi làm việc.)	

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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600294024</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>317 - No medical examinations / regular occupational health checks including disease checks of workers in hazardous situations (e.g. noise / chemicals / dust)</td></tr><tr><td>Subcategory</td><td>Worker Health</td></tr><tr><td>New or carried over?</td><td>☐ New ☒ Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA417801691</td></tr><tr><td>Root cause</td><td>☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>Law No. 84/2015/QH13, Article 21 / Article 21. Health check-ups and treatment for occupational diseases applicable to employees 1. Annually, an employer shall organize health check-ups at least once a year for employees; and health check-ups at least twice a year for employees doing heavy and harmful jobs and disabled, underage and elderly employees. 2. Beside regulations prescribed in Clause 1 of this Article, the employer shall organize obstetric checks for female employees, and occupational disease checks for employees who work in conditions with hazards of occupational diseases.</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that workers worked in heavy, hazardous working conditions were not ensured to provide health examination every six months as per local laws. The last time was on 24 Dec 2021 and the previous once was on 9th Nov 2019. Local laws: Art. 21 of Law on Occupational safety and hygiene # 84/2015/QH13</td></tr><tr><td>Follow up method</td><td>☐ Follow up audit ☒ Desktop audit</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600294024	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	317 - No medical examinations / regular occupational health checks including disease checks of workers in hazardous situations (e.g. noise / chemicals / dust)	Subcategory	Worker Health	New or carried over?	☐ New ☒ Carried Over	Raised by audit	ZAA417801691	Root cause	☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other	Root cause - Other		Local law issue	Law No. 84/2015/QH13, Article 21 / Article 21. Health check-ups and treatment for occupational diseases applicable to employees 1. Annually, an employer shall organize health check-ups at least once a year for employees; and health check-ups at least twice a year for employees doing heavy and harmful jobs and disabled, underage and elderly employees. 2. Beside regulations prescribed in Clause 1 of this Article, the employer shall organize obstetric checks for female employees, and occupational disease checks for employees who work in conditions with hazards of occupational diseases.	ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	It was noted that workers worked in heavy, hazardous working conditions were not ensured to provide health examination every six months as per local laws. The last time was on 24 Dec 2021 and the previous once was on 9th Nov 2019. Local laws: Art. 21 of Law on Occupational safety and hygiene # 84/2015/QH13	Follow up method	☐ Follow up audit ☒ Desktop audit
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Timescale	☐ Immediate ☐ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☒ 180 days ☐ 365 days ☐ Other	
Actions	It is recommended that the factory shall provide sufficient health checks to workers as per local law. (Ghi nhận nhà máy nên khám sức khỏe đầy đủ cho người lao động theo quy định của luật).	

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Actions	The factory had equipped sufficient first aid kits at workplace.																																						
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comments	Through site tour and document review, the factory had equipped sufficient first aid kits and first aid items at factory's workshops.	
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Actions	It is recommended that the factory shall equip and ensure workers wear sufficient PPEs during working time (Nhà máy nên trang bị đầy đủ bảo hộ và đảm bảo người lao động mang bảo hộ trong thời gian làm việc).	

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	quá cao, không an toàn để bảo vệ ngón tay của công nhân.)	
Follow up method	☐ Follow up audit ☒ Desktop audit	
Timescale	☐ Immediate ☒ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other	
Actions	It is recommended that the factory shall installed safety guards at safe position on machine to protect the workers. (Nhà máy nên lắp đặt bảo hộ máy móc tại vị trí an toàn để bảo vệ người lao động).	

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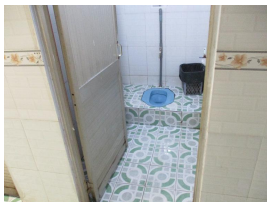
comments	Sample/office room will be changed to outward door. Through site tour, workers and management interview all emergency exit doors were repaired to become opened outward doors.	
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	& 17 Decree 79/2014/NĐ-CP dated 31/7/2014 was replaced by Article 13 & 15 Decree No. 136/2020/ND-CP dated 24th Nov 2020.			
Follow up method	☐ Follow up audit ☒ Desktop audit			
Timescale	☐ Immediate ☒ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other			
Actions	The factory obtained Certificate for Fire Safety Approval and the official acceptance document for fire safety system.			
Additional comments	The factory obtained Certificate for Fire Safety Approval and the official acceptance document for fire safety system. Through site tour, document review and management interview, the factory had obtained the approval Certificate for Fire Safety Approval and the official acceptance document for fire safety system.			

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Additional comments	We will hire more cleaners and assign one cleaner to clean the toilets. Through site tour, document review, worker and management itterview, the factory equipped sufficient and clean washing facity and toilets to workers.	
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Follow up method	☐ Follow up audit ☒ Desktop audit		
Timescale	☐ Immediate ☐ 30 days ☒ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other		
Actions	It is recommended that the factory shall comply electrical safety, such as replace electric wire with new electric wire which are in good condition, without splices or taped repair. (Khuyến nghị nhà máy phải tuân thủ các quy định về an toàn điện, chẳng hạn như thay dây điện bằng dây điện mới còn tốt, không có mối nối hoặc sửa chữa bằng băng dính)		

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4 - Child Labour Shall Not Be Used [Summary of Findings]

4: Compliance Requirements

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 the policy on prohibition of child labour and protection of young workers.
- The facility had established recruitment process in place. In addition, the factory had procedure to verify the age of the workers at the time of employment and collected age proof documents such as ID card, education certificate with photo, etc. to maintain in the employee personnel file.
- No child labour was found during audit at the factory. There was no evidence of historic employment of child labour was found at the factory.
- Interviewed employees confirmed that factory did not hire child labour, the minimum age in the facility was 18 years old.
- The factory had developed policy and procedure to investigate and have a remediation system to assist any children found to be working in the facility to return to school, or participate in vocational program.

Evidence examined:

- Recruitment policy and procedure
- Personnel files verification of sampled workers.
- Site observation
- Latest employee list
- Employee interview.
- Anti-child labour policy

Any other comments:

Nil

Legal age of employment:	15
Age of youngest worker found:	18
Are there children present on the work floor but not working at the time of audit?	☐ Yes ☒ No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	☐ Yes ☒ No Please give details: During the audit, no workers under the age of 18 were discovered.

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

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:

- Since July 1, 2022, the legal minimum wage is VND 4,680,000 per month (Zone 1); Meanwhile, the factory has applied to pay new hiring workers at least VND 5,008,000 during the probation period. After the probation period, the factory signed employment contracts and paid at least VND 5,008,000 per month to workers.

- The wage payment period was calculated from the 1st to the end of the month. Wages were paid to employees based on their hourly rate. The factory also provided productivity bonus to production workers. The monthly salary was paid once per month on the 10th of the following month via bank transfer.

- The overtime wage was paid at 150% for workdays, 200% for rest days, and 300% for holidays (if any). The factory provided from 12 to 14 annual leaves to employees.

- The factory also provided some benefits which was not required by local law such as position allowance of VND 500,000 -5,000,000; housing allowance of VND 350,000 per month; The reward for diligence and adherence to the Company's rules with salary of 1.5 days; Childcare allowance of VND 50,000 per month; The factory provided free meal with meal cost of VND 19,000/meal per working day.

- The factory provided sufficiently the past 12 months of payrolls and time records from December 2022 to November 2023 for review.

- The auditors skimmed all provided time records & payroll records and selected a total of 42 samples of time records & payroll records for selected months in April, July, and November 2023 for review.

Evidence examined:

- Wages and benefits policy
- Wage and time records
- Leave records
- Salary scale
- Company CBA
- Social insurance contribution reports
- Social insurance payment records
- Employees personal files
- Resignation records
- Pay slips
- Employee interview
- Management interview

Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 48.0 Per Month: 48.0	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 216.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 4.0 Per Week: null Per Month: 40.0	Actual Per Day: 5.5 Per Week: 32.0 Per Month: 110.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 4680000.0	Actual Per Day: 192615.0 Per Week: 1155692.0 Per Month: 5008000.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	NO
Wages Analysis:			
Were accurate records shown at the first request?	☒ Yes ☐ No		
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)	42 samples in November 2023 (most recent paid month) 42 samples in July 2023 (random month) 42 sample in April 2023 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	☐ Yes ☒ No		
If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☒ Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	☐ Below legal min ☐ Meet ☒ Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	5008000		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:The factory also provided some benefits which were not required by local law such as title allowance (VND 500,00 -5,000,000 per month); housing allowance (from VND 350,000 per month); The reward for diligence and adherence to the Company's rules (Salary of 1.5 days); and Childcare allowance (VND 50,000 per month) Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		

What deductions are required by law e.g. social insurance? Please state all types:	Social insurance: 8% of basic salary Health insurance: 1.5% of basic salary Unemployment insurance: 1% of basic salary
Have these deductions been made?	☒ Yes ☐ No
Please list all deductions that have been made.	Social insurance; Health insurance; Unemployment insurance; Union fee
Please list all deductions that have not been made.	Nil
Were appropriate records available to verify hours of work and wages?	☒ Yes ☐ No
Were any inconsistencies found? (if yes describe nature)	☐ Yes ☒ No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	☒ Yes ☐ No Please give details: The time-records have showed time in and time out of each sampled workers.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	☐ Yes ☒ No Please give details:
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation ☐ Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☒ Yes ☐ No Please give details: Wage level was review annually and when legal minimum wage changed, and when signed new employment contract to employees
Are workers paid in a timely manner in line with local law?	☒ Yes ☐ No
Is there evidence that equal rates are being paid for equal work:	☒ Yes ☐ No Please give details: The factory applied hours rate wage and workers were received wage based on their skills and performance
How are workers paid:	☐ Cash ☐ Cheque ☒ Bank Transfer ☐ Other

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Additional comments	Payment for resignation workers will be settled within 14 working days from the date of resignation as per local laws. Through document review, worker and management interview, the factory had establish slary payment process for resignation or termination workers, which the factory calculate resignation salary at least two times per month, one time for workers who might resign from the 1st to the 15th and the second time for workers who might resign from the 16th to end of month. Through review 02 sampled resigned workers in Oct and Nov 2023, these two resigned workers were paid salary within 14 days as per local law.	
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Timescale	☐ Immediate ☐ 30 days ☒ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory shall provided sufficient to workers as per local law (Nhà máy nên cung cấp đầy đủ phép năm cho người lao động theo quy định của luật.)

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Additional comments	The salary will be increased at per local law. Through document review, worker and management interview, the factory paid paid to workers at least VND 5,008,000 which grant to include 7% legal minimum wage to the skilled workers as per local laws.	
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Actions	The factory had policy and procedure to provide allowance of VND 50,000 to safety and hygiene officers.	
Additional comments	Allowance for occupational safety and hygiene officers will be provided as per local law. As per document review in sampled months, worker and management interview, the factory had policy and procedure to provide monthly duty allowance of VND 50,000 to all safety and hygiene officers as per local requirements.	

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Actions	It is recommended that the factory shall include duty allowance in to contracted salary to calculate overtime salary to workers. (Nhà máy nên cộng phụ cấp chức vụ vào lương cơ bản để tính tăng ca cho người lao động).	

6 - Working Hours are not Excessive [Summary of Findings]

6: Compliance Requirements

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:

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:

- Time and wage records from December 2022 to November 2023 were available for review.
- The regular working time was 8 hours per day and 6 days per week. Sunday was weekly rest day
- The factory had 04 main shifts:
 - + The admin shift was from 07:30–16:10, including 60 minutes for rest from 11:00–12:00 or 11:30–12:30.
 - + Service security guards worked in 02 shifts, shift 1: 06:00–18:00 including 30 minutes for rest, shift 2: 18:00–06:00 including 45 minutes for rest.
 - + Canteen service worked in 01 shift from 08:00–17:00.
- A computerized system (Fingerprint scan system) was used to monitor working time of workers with clear time in and time out of each individual worker. The time records with detail time-in and time-out of factory's employees were provided for review.
- All employees have been provided from 12 to 14 annual leave days.

Evidence examined:

- Working time policy
- Leave policy
- Company work rules
- Time and payroll records
- Overtime records
- Production records
- Employee interview
- Management interview

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	A computerized system (fingerprint scan) was used to monitor working time of workers with clear time in and time out of each individual worker.
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Is sample size same as in wages section?	☒ Yes ☐ No Please give details:		
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	☒ Yes ☐ No		
Are there any other types of contracts/employment agreements used?	☐ Yes ☒ No		
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	☐ Yes ☒ No		
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	☒ 1 in 7 days	☐ 2 in 14 days	☐ No (please explain)
Is this allowed by local law?	☒ Yes ☐ No		
Maximum number of days worked without a day off (in sample):	6		
Standard/Contracted Hours worked			
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	☐ Yes ☒ No % of workers: null% Frequency:		
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	☐ Yes ☒ No		
Overtime Hours worked			
Actual overtime hours worked in sample (State per day/week/month)	Maximum overtime working were 5.5 hours per day, 32 hours per week and 110 hours per month.		
Combined hours (standard or contracted + overtime hours = total) over 60 found?	☒ Yes ☐ No Please give details: Maximum working hours of 80 hours per week was found in November 2023.		
Approximate percentage of total workers on highest overtime hours:	38.0%		
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	☒ Yes ☐ No ☐ Conflicting Information Please give details: During worker's interview and worker agreement for overtime voluntary, all overtime is voluntary. Workers want to work overtime to increase their income.		
Overtime premium			

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	☒ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium Please give details: As per company policy, document review and employee interview, overtime premiums were 150% on workdays and 200% on rest days, 300% on holidays if any.
Is overtime paid at a premium?	☒ Yes ☐ No As per document review on selected time and payroll records, employee interview, 100% of selected samples were paid at 150% for overtime on workdays. There was no working overtime on weekly rest days and holidays in the past 12 months. Overtime will be paid monthly when the employees receive their salary.
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.	☐ No ☐ Consolidated pay ☐ Collective Bargaining agreements ☒ Other
Please give details	Not applicable. As per company policy, document review and employee interview, overtime premiums were 150% on workdays and 200% on rest days, 300% on holidays if any.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	☒ Overtime is voluntary ☐ Onsite Collective bargaining allows 60+ hours/week is voluntary ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Nil
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☒ No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	☐ Yes ☒ No

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Non-Compliance																													
Status	OPEN																												
Reference	ZAF600294037																												
Clause	6 - Working Hours are not Excessive																												
Issue Title	482 - Overtime policy includes provision for compulsory/mandatory overtime outside the limits of the law or collective bargaining agreement (but not enforced in practice)																												
Subcategory	Overtime																												
New or carried over?	☐ New ☒ Carried Over																												
Raised by audit	ZAA417801691																												
Root cause	☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other																												
Root cause - Other																													
Local law issue	Labor Law No. 45/2019/QH14, Article 107. Overtime work 1. Overtime work is the duration of work performed at any other time than during normal working hours, as indicated in the law, collective bargaining agreement or internal labor regulations of an employer. 2. An employer has the right to request an employee to work overtime when all of the following conditions are met: a) The employee agrees to work overtime; b) The number of overtime working hours of the employee does not exceed 50% of the normal working hours in 01 day; in case of weekly work, the total normal working hours plus overtime working hours shall not exceed 12 hours in 01 day, and 40 hours in 01 month;																												
ETI code	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.																												
Explanation to the non compliance	Through document review, employee and management interview, it was noted that monthly overtime working hour was excessive 40 hours per month in Apr, Jul and Nov 2023 as bellow: - In Apr 2023, the monthly overtime hours of 9 of 42 sampled workers were 41.25 – 78.5 hours a month. - In Jul 2023, the monthly overtime hours of 18 of 42 sampled workers were from 44 to 110 hours a month. - In Nov 2023, the monthly overtime hours of 7 of 42 sampled workers were from 42 to 63 hours a																												

	month. In addition, the total working hours per day exceeded 12 hours per day as below: - In Apr 2023, the working hours per day of 03 out of 42 sampled workers worked 12.5 – 13.5 hours per day. - In Jul 2023, the working hours per day of 06 out of 42 sampled workers worked 12.5 -13.5 hours per day. - In Nov 2023, the working hours per day of 04 out of 42 sampled workers worked 12.5 -13.5 hours per day. (Qua xem hồ sơ, phỏng vấn công nhân và quản lý, ghi nhận làm thêm giờ vượt 40 giờ/ tháng trong tháng: - Vào tháng 4/2023, 9/42 công nhân làm OT từ 41,25 - 78,5 giờ, tháng 7/2023, 18/42 công nhân làm OT từ 44 đến 110 giờ một tháng, tháng 11/2023, 7/42 công nhân làm OT từ 42 đến 63 giờ một tháng. Ngoài ra, tổng số giờ làm việc mỗi ngày vượt quá 12 giờ mỗi ngày: tháng 4/2023, 3/42 công nhân làm việc 12,5 - 13,5 giờ mỗi ngày, tháng 7/2023, 06/42 công nhân làm 12,5 -13,5 giờ, tháng 11/2023, 04/42 công nhân làm việc 12,5 -13,5 giờ.)
Follow up method	☒ Follow up audit ☐ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☒ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory shall ensure that daily and monthly overtime complies with local law. (Nhà máy nên đảm bảo giờ tăng ca ngày và tuần theo đúng quy định của luật)

Non-Compliance		Evidence																														
[Back to findings summary]																																
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600294038</td> </tr> <tr> <td>Clause</td> <td>6 - Working Hours are not Excessive</td> </tr> <tr> <td>Issue Title</td> <td>472 - Total working hours exceed 72 hours per week on an occasional basis (but are within the parameters of local law or collective bargaining agreement)</td> </tr> <tr> <td>Subcategory</td> <td>Excessive hours</td> </tr> <tr> <td>New or carried over?</td> <td> ☐ New ☒ Carried Over </td> </tr> <tr> <td>Raised by audit</td> <td>ZAA417801691</td> </tr> <tr> <td>Root cause</td> <td> ☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>ETI code</td> <td>6.5 - Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>Through document review, employee and management interview, it was noted that total weekly working hours were exceeded 60 hours as below: - In Apr 2023, the weekly working hours of 11 of 42 sampled workers were from 62 to 71 hours. - In Jul 2023, the weekly working hours of 16 of 42 sampled workers were from 63 to 74 hours. - In Nov 2023, the weekly working hours of 09 of 42 sampled workers were 64 to 80 hours. (Thông qua xem tài liệu, phỏng vấn nhân viên và quản lý, ghi nhận tổng số giờ làm việc hàng tuần đã vượt quá 60 giờ như dưới đây: tháng 4/2023, giờ làm việc hàng tuần của 11/42 công nhân làm từ 62 đến 71 giờ, 7/2023, 16/42 công nhân làm 63 đến 74 giờ, tháng 11/2023, 09 /42 công nhân được lấy mẫu là 64 đến 80 giờ.)</td> </tr> <tr> <td>Follow up method</td> <td> ☒ Follow up audit ☐ Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> ☐ Immediate ☐ 30 days ☒ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other </td> </tr> <tr> <td>Actions</td> <td>It is recommended to the factory that the total working hours in a week shall not exceed 60 hours. (Nhà máy nên đảm bảo tổng thời gian làm việc 1 tuần không quá 60 giờ).</td> </tr> </tbody> </table>		Non-Compliance		Status	OPEN	Reference	ZAF600294038	Clause	6 - Working Hours are not Excessive	Issue Title	472 - Total working hours exceed 72 hours per week on an occasional basis (but are within the parameters of local law or collective bargaining agreement)	Subcategory	Excessive hours	New or carried over?	☐ New ☒ Carried Over	Raised by audit	ZAA417801691	Root cause	☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other	Root cause - Other		ETI code	6.5 - Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:	Explanation to the non compliance	Through document review, employee and management interview, it was noted that total weekly working hours were exceeded 60 hours as below: - In Apr 2023, the weekly working hours of 11 of 42 sampled workers were from 62 to 71 hours. - In Jul 2023, the weekly working hours of 16 of 42 sampled workers were from 63 to 74 hours. - In Nov 2023, the weekly working hours of 09 of 42 sampled workers were 64 to 80 hours. (Thông qua xem tài liệu, phỏng vấn nhân viên và quản lý, ghi nhận tổng số giờ làm việc hàng tuần đã vượt quá 60 giờ như dưới đây: tháng 4/2023, giờ làm việc hàng tuần của 11/42 công nhân làm từ 62 đến 71 giờ, 7/2023, 16/42 công nhân làm 63 đến 74 giờ, tháng 11/2023, 09 /42 công nhân được lấy mẫu là 64 đến 80 giờ.)	Follow up method	☒ Follow up audit ☐ Desktop audit	Timescale	☐ Immediate ☐ 30 days ☒ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other	Actions	It is recommended to the factory that the total working hours in a week shall not exceed 60 hours. (Nhà máy nên đảm bảo tổng thời gian làm việc 1 tuần không quá 60 giờ).	
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7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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:

- Policy and procedure on Prohibition of discrimination was established in the facility.
- There was not any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation
- Workers were employed and arranged to work based on their abilities, capacities and skills and they receive equal pay for equal work.
- Interviewees confirmed that there was no pregnancy testing as a condition of employment or continued employment in the facility
- There was not any evidence discrimination for overtime opportunities.

Evidence examined:

- Induction training records for new hired employees
- Internal regulation approved by the authorized service/department.
- Policy and procedure on Prohibition of discrimination
- Policies on compensations and benefits, working time.
- Records of time attendance and payrolls of selected samples.
- Probationary contracts and fixed term employment contracts.
- Meeting minutes between trade union representatives and auditee management representatives.
- Records of annual leave monitor and un-used annual payments.
- Records of resignation, disciplinary, allowance payments;

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 40.0%Female: 60.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	4		
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?	☐ Hiring ☐ Promotion	☐ Compensation ☐ Termination or retirement	☐ Access to training ☒ No evidence of discrimination found
Please give details	N/A, there was no evidence of discrimination based on caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation was found.		
Professional Development			

What type of training and development are available for workers?	All workers are given H&S training, hygiene safety, firefighting training, regulation and training on social compliance Policy and procedure
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	☒ Yes ☐ No

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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:

- All employees were recruited by the facility directly. The workers were provided an orientation training on the facility rules and regulations including labour issues, wages and benefits, working time, and health and safety.
- The factory applied probation period of 06 days to workers and 26 days to office staff which was compliance with local law. After finishing these periods, the factory signed indefinite employment contracts with workers.
- Employment contracts were made in two copies. One copy was provided and kept by workers and the rest was kept by the factory.
- All workers were not required to sign blank papers, resignation letter etc.
- The factory directly recruited employees. No labour agency was used to hire employees. No temporary schemes or home employee was identified during the audits.
- Workers pay no recruitment fee at any stage of the recruitment process.

Evidence examined:

- Labour contracts
- Personnel files
- Recruitment policy and procedure
- List of employees in the facility
- Payroll record
- Factory regulation.

Any other comments:

Nil

Responsible Recruitment

All Workers

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 | |

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	☐ Yes ☒ No
Migrant Workers	
Type of work undertaken by migrant workers:	N/A. There was no migrant workers worked at site.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
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?	☐ Yes ☒ No Please give details: Not applicable. The factory did not have the migrant workers
Is there any observation on this finding?	Not applicable. The factory did not have the migrant workers
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	☐ Yes ☒ No
Non-employee workers	
Recruitment Fees	
Are there any fees?	☐ Yes ☒ No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A - No agency workers were used at factory.
Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☒ No
Were sufficient documents for agency workers available for review?	☐ Yes ☒ No
Is there a legal contract agreement with all agencies?	☐ Yes ☒ No Please give details: N/A - No agency workers were used at factory.
Does the site have a system for checking labour standards of agencies?	☐ Yes ☒ No Please give details: N/A - No agency workers were used at factory.
Contractors (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.)	
Any contractors on site?	☐ Yes ☒ No Please give details: N/A. The factory did not use the contractor workers.

Do all contractor workers understand their terms of employment?	☐ Yes ☒ No Please give details: N/A. The factory did not use the contractor workers.
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Non-Compliance		Evidence																												
[Back to findings summary]																														
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>CLOSED</td></tr><tr><td>Reference</td><td>ZAF600294039</td></tr><tr><td>Clause</td><td>8 - Regular Employment Is Provided</td></tr><tr><td>Issue Title</td><td>545 - Isolated incidents of temporary workers not being offered permanent contracts, contrary to law</td></tr><tr><td>Subcategory</td><td>Precarious employment</td></tr><tr><td>New or carried over?</td><td>☐ New ☒ Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA417801691</td></tr><tr><td>Resolved by audit</td><td>ZAA600041631</td></tr><tr><td>Root cause</td><td>☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>Labor Code No. 45/2019/QH14, Article 14. Forms of employment contract 1. An employment contract shall be concluded in writing and made into two copies, one of which will be kept by the employee, the other by the employer, except for the case specified in Clause 2 of this Article. An employment contract in the form of electronic data conformable with electronic transaction laws shall have the same value as that of a physical contract. 2. Both parties may conclude an oral contract with a term of less than 01 month, except for the cases specified in Clause 2 Article 18, Point a Clause 1 Article 145 and Clause 1 Article 162 of this Labor Code. Article 20. Types of employment contracts 1. An employment contract shall be concluded in one of the following types: a) An indefinite-term employment contract is a contract in which the two parties neither fix the term nor the time of termination of the contract; b) A fixed-term employment contract is a contract in which the two parties fix the term of the contract for a duration of up to 36 months from the date of its conclusion.</td></tr><tr><td>ETI code</td><td>8.1 - To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that 9/28 selected samples who worked in packing, preparation, sewing were hired as temporary without any official agreement. It was noted through worker and management interview, workers did not want to sign the contract with the</td></tr></table>			Non-Compliance		Status	CLOSED	Reference	ZAF600294039	Clause	8 - Regular Employment Is Provided	Issue Title	545 - Isolated incidents of temporary workers not being offered permanent contracts, contrary to law	Subcategory	Precarious employment	New or carried over?	☐ New ☒ Carried Over	Raised by audit	ZAA417801691	Resolved by audit	ZAA600041631	Root cause	☐ Training ☒ System ☐ Costs ☐ Lack of workers ☐ Other	Root cause - Other		Local law issue	Labor Code No. 45/2019/QH14, Article 14. Forms of employment contract 1. An employment contract shall be concluded in writing and made into two copies, one of which will be kept by the employee, the other by the employer, except for the case specified in Clause 2 of this Article. An employment contract in the form of electronic data conformable with electronic transaction laws shall have the same value as that of a physical contract. 2. Both parties may conclude an oral contract with a term of less than 01 month, except for the cases specified in Clause 2 Article 18, Point a Clause 1 Article 145 and Clause 1 Article 162 of this Labor Code. Article 20. Types of employment contracts 1. An employment contract shall be concluded in one of the following types: a) An indefinite-term employment contract is a contract in which the two parties neither fix the term nor the time of termination of the contract; b) A fixed-term employment contract is a contract in which the two parties fix the term of the contract for a duration of up to 36 months from the date of its conclusion.	ETI code	8.1 - To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.	Explanation to the non compliance	It was noted that 9/28 selected samples who worked in packing, preparation, sewing were hired as temporary without any official agreement. It was noted through worker and management interview, workers did not want to sign the contract with the
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Explanation to the non compliance	It was noted that 9/28 selected samples who worked in packing, preparation, sewing were hired as temporary without any official agreement. It was noted through worker and management interview, workers did not want to sign the contract with the																													

	factory, they just wanted to work in factory the short time and agreed with wages amount VND200,000/day as per verbal agreement. Based on document review, the facility just kept the photocopy of worker's ID card. Local law: Article 14,16,18,20 of Labor Code No. 45/2019/QH14	
Follow up method	☒ Follow up audit ☐ Desktop audit	
Timescale	☐ Immediate ☐ 30 days ☒ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other	
Actions	It is recommended that the facility shall provide regular employment to workers as per local law to avoid precarious employment. (Chúng tôi khuyến nghị rằng cơ sở sẽ cung cấp việc làm thường xuyên cho người lao động theo luật địa phương để tránh việc làm bấp bênh.)	
Additional comments	The workers confirm employment condition by written document Through site tour, document review, worker and management interview, it was noted that the factory had established recruitment process in place. The factory did not use temporary workers in the past 12 months. All workers were signed official employment contracts after probation period of 6-30 days as per local law.	

8A - Sub-Contracting and Homeworking [Summary of Findings]

8A: Compliance Requirements

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

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

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 did not use homeworkers for the production process.
- The factory has a policy on managing and selecting sub-contractors including a policy on obtaining clients' approval available for review.
- The factory had used two sub-contracting factories to produce and provide accessories and products to the audited company.
- The factory did not have systems and processes in place to manage and monitor social performance of its sub-contractors.
- As per the factory and management interviews, the factory has used the subcontract for the production process (if any). The detail as below:
 1. Printing process:
Factory Name: Rainbow Printing Processing Co., Ltd
Address: 1847 Thien Binh Quarter, National Highway 51, Tam Phuoc Ward, Bien Hoa City, Dong Nai Province, Vietnam
 2. Embroidering Process:
Factory Name: Tien Phat Embroidery Garment Company Limited
Address: 292/5 Nguyen Thi Thanh Street, Tam Dong 3 Hamlet, Thoi Tam Thon Commune, Hoc Mon District, Ho Chi Minh City.

Evidence examined:

- Procedure for selecting the business partners
- Business partner records
- Sub-contractor monitoring records
- Processes of managing and monitoring social performance
- Social performance monitoring records.
- Management interview
- Sample worker interview
- Factory tour
- Document review:
- Sub-contractor contract, delivery record & inspection record

Any other comments:

Nil

Summary of sub-contracting – if applicable

Is there any sub-contracting at this site? ☒ Yes ☐ No

Process subcontracted

Process Subcontracted	Printing
Name of factory	Rainbow Printing Processing Co., Ltd
Address	1847 Thien Binh Quarter, National Highway 51, Tam Phuoc Ward, Bien Hoa City, Dong Nai Province, Vietnam

Process subcontracted	
Process Subcontracted	Embroidering
Name of factory	Tien Phat Embroidery Garment Company Limited
Address	292/5 Nguyen Thi Thanh Street, Tam Dong 3 Hamlet, Thoi Tam Thon Commune, Hoc Mon District, Ho Chi Minh City
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?	☒ Yes ☐ No Please give details: Due to the production process being declared in the approved document by an authorized party, the auditor found a lack of the process during the factory tour. In addition, the auditor reviews the workforce and product capacity to compare
If sub-contractors are used, is there evidence this has been agreed with the main client? (If yes, please provide details)	☒ Yes ☐ No The factory got agreement from customer before using subcontractors
Number of sub-contractors/agents used:	2
Is there a site policy on sub-contracting?	☒ Yes ☐ No The factory had evaluating and selection policy to select its business partners in place.
What checks are in place to ensure no child labour is being used and work is safe?	The factory had evaluating and selection policy to select its business partners in place. The factory also had established the Supplier's Compliance Commitment based on ETI requirements to its business partners for acknowledge and compliance. The factory had sent the letter to their subcontractors, and they signed commitment for acknowledgment.
Summary of homeworking – if applicable	
Is homeworking used at this site?	☐ Yes ☒ No

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9 - No Harsh or Inhumane Treatment is Allowed

[Summary of Findings]

9: Compliance Requirements

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.

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

- The facility management had established the policies and procedures on No Harsh or Inhumane Treatment.
- The factory also had Disciplinary Committee in place, which Ms. Le Thi Hoai An - HR Manager was Committee Head.
- The factory had issued internal work rules and disciplinary process in places. The employees were trained and communicated properly about the discipline process. There was no illegal disciplinary action were report by the interview workers.
- There was no evidence shows that the facility engaged in or supported physical harassment, mental harassment, abuse & threat, and any types of sexual harassment in the facility.
- There was no evidence of corporal punishment, threats of violence or other forms of physical, mental, sexual, verbal harassment and abuse has identified during audit process.
- Interviewed employees reported that they were equally treated by their superior. The facility management encouraged employees to report non-conformities, including instances of harassment or abuse, without fear of retribution. The facility management equipped suggestion boxes throughout the facility so that employees can freely share the harassment or abuse issues to the management.
- Employees could share their concerns with their team leaders or trade union representatives or they can free meet directly with the management to report the non-conformity or send their concerns/grievances via mailboxes, or through hot-line phone numbers posted at workplace in the factory.

Evidence examined:

- Harassment and abuse policy and procedure.
- Disciplinary records.
- Employee interview.
- Training records.

Any other comments:

Nil

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?

☒ Yes ☐ No

Please give details:

- Direct: Directly meeting with factory management, call phone.
- Indirect: Email

If yes, are workers aware of these channels and have access? Please give details.

All interviewed employees were aware of above channels.

If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.

Comment box, hotline, dialogue.

Which of the following groups is there a grievance mechanism in place for?

- ☒ Worker ☐ Communities
☐ Suppliers ☐ Other

Please provide grievance mechanism details	Workers could give their comments via comment boxes posted in workshops, or they could contact their trade union and/or company management to discuss their options.
Are there any open disputes?	☐ Yes ☒ No Please give details:
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)	☒ Yes ☐ No Please give details:
Is there a published and transparent disciplinary procedure?	☒ Yes ☐ No Please give details:
If yes, are workers aware of these the disciplinary procedure?	☒ Yes ☐ No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☒ No Please give details:

10A - Entitlement to Work and Immigration [Summary of Findings]

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- Per document review, facility management representation and employee interview, all employees in the facility were local resident.
- There was no agency involved in facility's recruitment processes.
- There was no foreigner migrant worker and agency workers working at site. Workers just submitted the personnel profiles as such application letters, CV, family books, certification of physical health examination, copied ID cards to the facility in line with local law.
- No illegal worker was identified during the audit date.
- All employees had the proper legal rights to work in this region.

Evidence examined:

- Induction training records for new hired employees
- Factory Internal regulation approved by the authorized service/department.
- Policy and procedure on recruitments.
- Workers' profiles including Application letters, Copied ID Cards, Family books, CV, Certificates of hospital for physical health examination.
- Company's Code of Conduct.
- Probationary contracts and fixed term employment contracts.
- Meeting minutes between worker committee representatives and auditee management representatives.

Any other comments:

Nil

10B4 - Environment 4-Pillar [Summary of Findings]

10B4: Compliance Requirements

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

10.B4.2 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.

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

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

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

10.B4.6 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).

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

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

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

10B4: Guidance for Observations

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

10.B4.11 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:

- The factory has environment policy committed by top management and communicated to all employees and all appropriated parties and its suppliers
- The factory had assigned Mr. Trinh Hoang Trung - SOE to be responsible for all environment requirements in the factory.
- The audited site signed a service agreement with legal service for collecting, transport, and treatment of living waste, industrial waste and hazardous waste as per law requirements.
- The factory had conducted automatic environment monitoring analysis on wastewater, air emission, and reported to local environment department as per local law.
- The audited site had installed devices and logbooks to monitor the consumption of electricity, water, and waste discharge in place.
- The factory has obtained an the certificate of environmental protection work from local authorized department
- Management report of hazardous, inventory of trash, logbooks of electricity, water were maintained and updated.
- Trash was properly segregated in workplace. The factory also provided training to workers on trash classification annually.
- The site had not been subjected to any fines/prosecutions for noncompliance to environmental regulations.

Evidence examined:

- Environmental policy
- Environment contracts
- Environmental registration, report
- Waste collected bill
- Water bills
- Worker and management interview.
- Site tour

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):	Mr. Trinh Hoang Trung - SOE to be responsible for all environment requirements in the factory.
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☒ Yes ☐ No Please give details: The environmental impact of the factory's operation has been assessed, and control measures for each identified risk have been defined.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	☐ Yes ☒ No Please give details: The factory did not have a recognised environmental system certification such as ISO 14000 or equivalent
Does the site have an Environmental policy?	☒ Yes ☐ No
If yes, is it publicly available?	☒ Yes ☐ No
If yes, does it address the key impacts from their operations and their commitment to improvement?	☒ Yes ☐ No Please give details: During operation, the factory had procedure to identify the environment impact in the factory and develop proper measures to address the key impacts from their operations
Does the site have a Biodiversity policy?	☒ Yes ☐ No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	☐ Yes ☒ No Please give details: Not applicable
Have all legally required permits been shown?	☐ Yes ☒ No Please give details: The Plan for Environmental Protection, environmental commitment were approved by the authority were available in place and provided for review, but insufficiency for some environmental licenses

Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☒ Yes ☐ No ☐ Not Applicable Please give details: The factory had written chemical safety management process and procedure in place to record hazardous chemicals used in the manufacturing process.	
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☒ Yes ☐ No Please give details: The factory had an environmental policy and maintained client's requirements regarding environmental and chemical issues.	
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	☒ Yes ☐ No Please give details: The factory had established reduction targets in place for environmental aspects including water consumption and discharge, energy, and fuel.	
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☒ Yes ☐ No Please give details: Monthly waste bill, water using track record to control the waste discharge	
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?	☒ Yes ☐ No Please give details: The factory had used power meters to monitor consumption of key utilities like energy supplied by local departments, and monitor water use by water discharge fee process.	
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?	☒ Yes ☐ No Please give details: The factory required and obtained business licence and operating permit/license of business partners including trash collecting companies to ensure that they were conducting business in line with environmental expectations of the facility	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	461750	374090
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Underground water	Underground water
Water Volume Used	192	220

Water Discharged	Urban rainwater drainage system	Urban rainwater drainage system
Water Volume Discharged	154	176
Water Volume Recycled	0	0
Total waste produced	4423 Kg	4152 Kg
Total hazardous waste produced	88 Kg	542 Kg
Waste to recycling	2067 Kg	2705 Kg
Waste to landfill	2268 Kg	905 Kg
Waste to other	0 Kg	0 Kg
Total Product Produced	748299 pcs	408677 pcs

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Actions	The factory shall ensure to get approval for actual capacity from the authorized department. (Nhà máy nên có phê duyệt công suất hiện hành bởi các cơ quan chức năng).	

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Actions	The factory had conducted quaterly monitoring on wastewater quality, air missions surrounding as per commitment in the approval of Environmental Protection Commitment.	
Additional comments	Wastewater quality, air missions surrounding will be monitored quarterly as per local law. Through document review, management interview, the factory had conducted quaterly monitoring on wastewater quality, air missions surrounding as per commitment in the approval of Environmental Protection Commitment. The quaterly environment monitoring reports were provided for review.	

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10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

- 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10.C.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.
- 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10.C.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.
- 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10.C.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**
- 10.C.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.
- 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

- The policy of anti-bribery and corruption was established
- Commitment to business ethics was established by the facility
- The factory has assigned Ms. Le Thi Hoai An - HR Manager is a committee head to be responsible for implementing Ethic ethical business policy in the factory.
- There are many ways for the facility to identify ethical issues in the facility, including feedback from employees through hotlines and suggestion boxes, and highly classified email.
- No bribery, corruption cases, or other types of fraudulent business practices were reported in the factory.

Evidence examined:

- Business ethic commitment.
- Anti-bribery policy
- Business ethic committee
- Grievance policy
- Mailbox records
- Management and worker interview

Any other comments:

Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	☒ Internal Policy ☒ Policy for third parties including suppliers Please give details: It was noted that the factory has established a Business Ethics policy concerning bribery, corruption, or unethical Business Practice. In addition, the factory had communicated the Business Ethics policy to all appropriate parties.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☐ Yes ☒ No Please give details: The factory did not provide training to relevant personnel (e.g. sales, purchasing, finance and logistics) on business ethics issues.
Is the policy updated on a regular (as needed) basis?	☒ Yes ☐ No Please give details: The factory updated Business Ethics policy every years.
Does the site require third parties including suppliers to complete their own business ethics training	☒ Yes ☐ No Please give details: The factory had communicated their own business ethics to third parties including suppliers.

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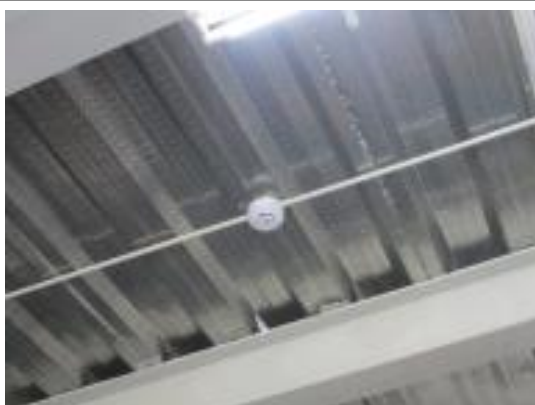
Attachments



Suggestion box.JPG



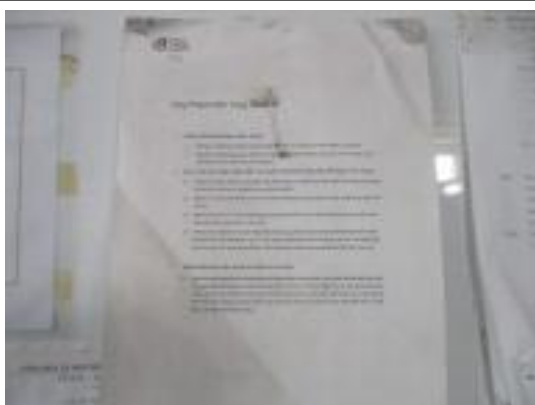
Worker worn PPEs.JPG



Smoke detector.JPG



Hand-washing facility.JPG



ETI Base Code.JPG



Beam detector.JPG



Fire extinguisher was in good condition.JPG



SDS kept at handling area.JPG



Safety signs on electric cabinet.JPG



Fire extinguishers were maintained and recharged.JPG



Evacuation map.JPG



Emergency exit door.JPG



Exit light & sign.JPG



Notification board.JPG



Time record machine.JPG



Safety sign on machine cover.JPG



Fire emergency button.JPG



Employee locker.JPG



Restroom were separated by gender.JPG



Safety signs & instruction on machine.JPG



Toilet facility was clean.JPG



Nurse room.JPG



Factory main gate.JPG



Fire pump station.JPG



Cutting section.JPG



Finished good warehouse.JPG



Parking area.JPG



Fire extinguishers.JPG



Eating area.JPG



Preparing section.JPG



Trash storage area.JPG



Sprinkler system.JPG



Fire alarm control panel.JPG



Generator.JPG



Electric panel with inner cover.JPG



First aid kit.JPG



Assembly point.JPG



Fire hydrant and hose in cabinet.JPG



Packing section.JPG



Factory overview.JPG



Chemical warehouse with safety signs.JPG



Factory name.JPG



Air compressor station.JPG



Sewing section.JPG



Chemical was properly labelled.JPG



Wastewater treatment system.JPG



Material warehouse.JPG



Exit route with clear mark.JPG



Emergency eye wash station in chemical storage area.JPG



Drinking water.JPG



Test fire pump.JPG



Inspection section.JPG



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

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