



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC422099271	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS422099273	
Business name (Company name):	NGUYEN DI PHONG TRADING PRODUCTION COMPANY LIMITED			
Site name:	NGUYEN DI PHONG TRADING PRODUCTION COMPANY LIMITED			
Site address:	LOT N16A, STREET 9, HAI SON DUC HOA DONG INDUSTRIAL CLUSTER, DUC HOA DONG COMMUNE, DUC HOA DISTRICT, LONG AN PROVINCE, VIETNAM LONG AN 82000 VN	Country:	VN	
Site contact and job title:	Tran Van Minh (Mr) / Vice Director			
SMETA Audit Pillars:	<input type="checkbox"/> Labour Standards	<input type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2022-12-29			

Audit Company Name:
Insite Compliance LLC

Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

## 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:	Nguyen Tan Hai	APSCA Number:	21702210
Additional Auditors:			
Date of declaration:	2022-12-29		

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:	Tran Van Minh (Mr)
Title:	Vice Director
Date of declaration:	2022-12-29
Comments:	Nil

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<a href="#">0A - Universal rights covering UNGP</a>			0	0	0	
<a href="#">0B - Management systems and code implementation</a>			0	1	0	Obs - ZAF600003094
<a href="#">1 - Freely chosen employment</a>			0	0	0	
<a href="#">2 - Freedom of association and right to collective bargaining are respected</a>			0	0	0	
<a href="#">3 - Working conditions are safe and hygienic</a>	3.1 3.1 3.1 3.1	§1 §2 §3 §4	4	0	0	NC - ZAF600003096 NC - ZAF600003097 NC - ZAF600003098 NC - ZAF600003099
<a href="#">4 - Child labour shall not be used</a>			0	0	0	
<a href="#">5 - Living wages are paid</a>			0	0	0	
<a href="#">6 - Working hours are not excessive</a>			0	0	0	
<a href="#">7 - No discrimination is practiced</a>			0	0	0	
<a href="#">8 - Regular employment is provided</a>			0	0	0	
<a href="#">8A - Subcontracting and homeworking</a>			0	0	0	
<a href="#">9 - No harsh or inhumane treatment is allowed</a>			0	0	0	
<a href="#">10A - Entitlement to work and immigration</a>			0	0	0	
<a href="#">10B2 - Environment 2-pillar</a>			0	0	0	
<a href="#">10B4 - Environment 4-pillar</a>			0	1	0	Obs - ZAF600003095
<a href="#">10C - Business ethics 4-pillar</a>			0	0	0	

## Local Law Issues

Issue	Description
§1	In accordance with Article II.7.3 of the QCVN 05: 2020/BCT - Circular No.48/2020/TT-BCT - Requirements concerning containers and goods labels: A chemical label must be easily legible and tear resistant. If the label is lost or damaged resulting in it not clearly indicating the chemical in the container, it an analysis shall be carried out to identify the name and primary contents of the chemical to attach a new label before it is sold or used (even in the case of compulsory destruction).
§2	In accordance with Article 5.4 of the Decree 14/2014/ND-CP - General requirements for safety in generation, transmission, distribution and use of electricity for production: At the operating positions, there must be all procedures: Equipment operation, troubleshooting of electrical incidents; power grid outline, rules of fire prevention and fighting, operation logbook, devices, equipment and means of personal protection, restricted signs, signals and other devices and means under regulation.

§3	In accordance with Article 16.6 of the Law on Occupational safety and hygiene No. 84/2015/QH13 - Responsibility of the employer for assurance of occupational safety and hygiene at the workplace: There are warning and instruction signs made in Vietnamese and popular language of employees in relation to occupational safety and hygiene for machinery, equipment, materials and substances that having strict safety and hygiene requirements at the workplace, preservation places, usage places that are placed at obvious locations.
§4	In accordance with Article 6. of the Circular No.04/2014/TT-BLĐTBXH - Principles for use of personal protective equipment: The employer shall instruct their workers how to smoothly use the adequate personal protective equipment and closely supervise their use.

## Site Details

Site Details				
Company Name	NGUYEN DI PHONG TRADING PRODUCTION COMPANY LIMITED			
Site Name	NGUYEN DI PHONG TRADING PRODUCTION COMPANY LIMITED			
GPS location (if available)	GPS Address:	Lot N16a, Street 9, Hai Son Duc Hoa Dong Industrial Cluster, Duc Hoa Dong Commune, Duc Hoa District, Long An Province		
	Coordinates:	10.80333,106.48209		
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The Company operation registration certificate No.11011966602 issues on 28 – October - 2020			
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	The facility is polybag factory which produces and process. The main activities at site were Warehouse Materials, Blowing area, Printing, Cutting, Recycled Materials area and Finish Good Warehouse			
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	In view the facility, it consists of one (1) 3-storey building adjacent to 01 one (1) - storey building for offices, production floors and warehouse. Insite Compliance Note: Confirming the audit was performed on December 29,2022 as semi-announced within a 10 days window, from 25-Dec-2022 to 5-Jan-2023. With the new Sedex platform, it is not possible to change the type of audit from announced to semi-announced, for which reason the modification was not made.			
Structure and number of buildings	Building Name:		Building 1	
	Floor	Description	Remark	
	Floor 1	Factory office	50sqm	
	Floor 2	Factory office	50sqm	
	Floor 3	Production floor	50sqm	
	Building Name:		Building 2	
	Floor	Description	Remark	
	Floor 1	Production workshops and warehouse	1,713sqm	
	Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The buildings were under good		
	Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had construction permit No.499/GPXD issued on June 29, 2021		

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season		
Process overview	The products manufactured in this unit are polybag. The main production processes include Warehouse Materials, Blowing area, Printing, Cutting, Recycled Materials area, Warehouse Finish Good. The main equipment's were Blowing, Printing, cutting machines and Recycled Materials machines	
What form of worker representation is there on site?	<input checked="" type="checkbox"/> Union <input type="checkbox"/> Other	<input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	Trade Union of Nguyen Di Phong Trading Production Company Limited	
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The dormitory is not provided	



Audit Parameters		
Time in and time out	Day 1	
	In	08:45
	Out	16:00
Audit type:	Full initial	
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	Tran Van Minh (Mr) / Vice Director	
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>	There is no worker representative in the facility		
<i>Reason for absence during the audit</i>	There is no worker representative in the facility		
<i>Reason for absence at the closing meeting</i>	There is no worker representative in the facility		

## 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	7	0	0	0	0	0	0	7
Worker numbers – female	3	0	0	0	0	0	0	3
Total	10	0	0	0	0	0	0	10
Number of Workers interviewed – male	7	0	0	0	0	0	0	7
Number of Workers interviewed – female	3	0	0	0	0	0	0	3
Total – interviewed sample size	10	0	0	0	0	0	0	10

Nationalities Structure	
Nationality of Management	Vietnamese
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no peak season
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: N/A

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1
Number of individual interviews:	Male: 5 Female: 1
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Workers did not complaint anything during the interview
What did the workers like the most about working at this site?	Workers were satisfied with working condition and working hours
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Workers are satisfied for job with less overtime work and no working on Sunday
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

10 employees were interviewed including 7 males and 3 female employees, they were interviewed as one (1) group of four (4) employees (total 4 employees) and six (6) employees were interviewed individually. Workers were satisfied with working condition and working hours.

Attitude of worker's committee/union reps:

The Chairwoman of the Trade union – Ms. Ly Hoai Ngoc confirmed that the factory management did respect the trade union and they were all happy with the working conditions, working hours and social insurance system, and they stated that they could give suggestions on all parts of the site's

Attitude of managers:

The factory management did allow the auditor to conduct audit to the factory, and accompanied with the auditors when the auditors conducted factory tour and confidential worker's interview. Required documents and records are all provided to review on time. The factory representative did agreed with the non-compliance issues and signed the CAPR at the closing meeting.

**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 established of social compliance policies and procedures and posted them in the notice board at the workshop. The terms and conditions for employees are stated in the factory internal rules and all workers are trained in the grievance procedure.

Ms. LY HUE NGOC – Chairwoman of the Trade union was responsible for implementing standards concerning Human rights.

**Evidence examined:**

- Factory internal rules and regulations.
- Written social compliance policies and procedures.
- Employee information and personnel files.
- Management interview.
- Trade union interview
- On-site observation.

**Any other comments:**

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: The policy states that the facility expresses commitment to respect human right.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Name: Ms. Ly Hue Ngoc Job title: HR dept.

<p>Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility did set up the transparent system for confidentially reporting and dealing with human right impacts without fear reprisals towards the reporter in November 2022</p>				
<p>Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>				
<p>Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The data privacy procedures worker's information established in Nov. 2022 has been trained to the management and workers</p>				
<p><b>Measuring Workplace Impact</b></p>					
<p>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))</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0%</td> </tr> </table>	Last year	0%	This year	0%
Last year	0%				
This year	0%				
<p>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])</p>	<p>0%</p>				
<p>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)</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0%</td> </tr> </table>	Last year	0%	This year	0%
Last year	0%				
This year	0%				
<p>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)</p>	<p>0%</p>				
<p>Are accidents recorded?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>No accidents in the last months</p>				
<p>Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0%</td> </tr> </table>	Last year	0%	This year	0%
Last year	0%				
This year	0%				
<p>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)</p>	<p>0%</p>				



Lost day work cases per 100 workers( $\frac{\text{Number of lost days due to work accidents and work related injuries} * 100}{\text{Number of total workers}}$ )	Last year	0%
	This year	0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%

**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:**

- Responsibility to meet the Legal and Client Code of Conduct is shared between the Factory Management and HR Manager. Together they were responsible to the Health and safety Manager and production manager for ensuring the requirements were met;
- HR department and compliance officer was responsibility for ensuring that licenses and business permissions were up to date;
- Overall responsibility for meeting the standards is taken by the HR officer
- Factory has established social responsibility team, and they conducted internal social responsibility audit and management review quarterly;
- Through the management interview, the factory implements and maintains systems for delivering compliance to this code;

**Evidence examined:**

- Factory Code of Conduct in local language posted.
- Global Business Partner Code of Conduct posted
- Internal rule and regulation posted in notice boards.
- Social compliance Policy and SOP posted

**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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no any fines in the factory
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies and procedures renewed in Nov. 2022 for Forced labor, Health and Safety, Living Wage, Working Hours, Child Labor, Recruitment, Discrimination and Subcontracting etc.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had installed relevant policies about no discrimination, no harassment & abuse, child labor not to be used, and no forced labor.

<p>Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Policies and procedures on "Forced labor", "child labor", "discrimination" and "No harsh treatment" were communicated to workers through posters and annual training.</p>
<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The train records are provided for review and all workers were aware of the policy, no negative founded.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility did not have certificates for the ISO 9000, 14000, OHSAS 18000, SA8000...</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>There was Human Resources department in charge of recruitment, deploying and monitoring the policies of wage benefit, working hours, health-safety and environment, in which Ms. Le Thi Hien is the manager</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Ms. Tu Xuan Lan – General Director; Ms. Ly Hue Ngoc – HR and Compliance; Mr. Tran Van Minh – Vice Director</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The policy that worker's information to be confidential was established in Nov. 2022</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The policy that worker's information to be confidential was established in Nov. 2022</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The risk assessments were conducted to evaluate policy and procedure in Dec. 15, 2022</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Non-compliance issues found at internal audit were reviewed by factory management and corrective action was taken</p>

<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility re-established a social compliance standard in Nov. 2022 with requirements for them to implement social compliance standard</p>
<p><b>Land Rights</b></p>	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All required land rights licenses and building permit were provided for review</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory did set up the procedure and appointed executive department to conduct legal due diligence to recognize and apply national laws and practices relating to land title.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had a written policy and procedures specific to land rights.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>

Observation		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Observation</b>		
Reference	ZAF600003094	
Clause	0B - Management Systems and code Implementation	
Issue Title	37 - The ethical Code (i.e. ETI Base Code for SMETA audits) is not communicated to the site's own suppliers	
Subcategory	Site's Systems to Manage Supplier Compliance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	The facility did not aware of the requirement	
Explanation to the observation	It was noted during document review and management interview, that facility did not communicate the ETI code to their own suppliers.	
Actions	It is recommended that the facility should communicate ETI code of conduct to their suppliers.	

**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:**

- A policy prohibits forced labor is re-established in Nov, 2022 was available for review.
- Copy of ID’s for proof of worker’s age are kept in the personnel files only and the original ID shall not be kept by the factory;
- The workers were free to leave the workplace outside of their working hours and were free access to drinking water and restroom

**Evidence examined:**

- Personnel files including labour contracts and worker’s interview (10);
- Resignation records;
- Factory internal rules;
- Collective Bargaining Agreement;
- Management and worker interview
- Trade union representatives interview.

**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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers’ freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Workers are free to take restroom or drinking water during working hours
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’?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: Not applicable

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Based on the document review and worker's interview, there was no restrictions on workers' freedoms to leave the site at the end of the work day. Workers were free access to drinking water and restroom</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>Facility was aware of the policy and conducted the supplier audit regularly</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Factory did establish the policy in Nov. 2022 and conducted the supplier audit regularly, factory provided the records for review and it was acceptable.</p>

**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 trade union is established on 20-December-2022 and Ly Hue Ngoc (Ms) is the chairwoman.
- The Collective Bargaining Agreement is renewed and registered with the authority on December, 2022
- Dialogue between the employer and employees is conducted quarterly.
- The trade union conducted monthly meeting.
- Trade union representatives and chairman was voted by the workers and all interviewed workers know the name of the chairman of the trade union

**Evidence examined:**

- Quarterly dialogue between factory management and employees
- Annual employees conference meeting records
- Interview with workers (8)
- Interview with Management (1)
- Interview with Representatives of the Trade union (1)

**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)	<input checked="" type="checkbox"/> Union <span style="margin-left: 200px;"><input type="checkbox"/> Worker Committee</span> <input type="checkbox"/> Other <span style="margin-left: 150px;"><input type="checkbox"/> None</span>
Other details:	Trade Union of Nguyen Di Phong Trading Production Company Limited
Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: There was one (1) comment box available in the workshops. In addition, workers can meet the Trade union representatives or factory management as communication channel.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Trade union can use meeting room or canteen for their meeting as they needs
Name of union and union representative, if applicable:	Trade union of Nguyen Di Phong Trading Production Company Limited and Ly Hue Ngoc is chairwoman
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There is trade union in the facility
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Ly Hue Ngoc - Chairwoman
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-11-14
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Dialogue records between the factory management and trade union were reviewed. The meeting minutes was posted at the notice board that employees can read. Employees did receive gift for their birthday, marriage... and gift for yearend. The representatives of the trade union did involve and join all meetings for benefits/wages and others
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, what percentage by trade Union/worker representation	90% workers covered by Union CBA. 90% workers covered by worker rep CBA.
If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**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**

- Factory did establish a Labor protection team and OSH team on November 24, 2022
- Health test was provided to workers
- All workers were trained in OSH by qualified training organization
- Labor environmental evaluation report showed that all factors were met the labor standards
- Drinking water was available in all workshops and test records was available (the latest report was on November 16, 2022)
- Sufficient clean toilets segregated by gender were available at all floor to workers. Ventilation, temperature and lighting were adequate for the production processes.

**2. Fire Safety**

- Certificate of firefighting & prevention appraisal issued by fire department on Nov. 11, 2022
- The fire fighting and prevention system is certified on October 15th, 2022;
- Fire alarm system was installed at all workshops and warehouse;
- Firefighting and prevention system is inspected on Oct 15, 2022 and met the standards;
- Approved firefighting plan (Nov. 15, 2022)
- Evacuation diagrams were posted in all areas and understood by all workers interviewed
- A fire fighting and prevention team of 5 persons (re-established on December 24, 2022)
- The lightning protection system is inspected (valid September 2023)
- Fire drills were organized and recorded in December 29, 2022
- Training had been given by the local fire department (December 29, 2022)
- Automatic fire alarm system and sprinkler system is installed.

**3. Machinery safety**

- One (1) compressor was inspected by the authorized facility on December 01, 2022 (valid from December 01, 2022 to Dec. 01, 2023);

**4. Electrical safety**

- All electrical equipment was in good condition such as sockets, plugs, switches and main fuse boards.
- There were competent electricians at the site and their training certificates were available for review.

**5. Chemical safety**

- Chemicals were stored in separated storage
- Eye-wash facility is equipped at chemical warehouse and drying department
- Workers in the chemical store had been trained on correct handling procedures as well as what to do in an emergency.

**6. Medical services**

- Factory signed contract with the local hospital for supporting in case of emergencies
- One (1) first aid kits with 27 medical items was available
- There was a first aid team with 05 workers, trained and certified on Dec. 6, 2022

**Evidence examined:**


- Construction permit (No.499/GPXD date June 29th, 2021)
- Health and safety policy and manual (December, 2022)
- Health and safety committee minutes (latest on November 13, 2022)
- Certificate of fire prevention and fighting appraisal and approval (November 11, 2022)
- Firefighting plan (update on November. 15, 2022)
- Plans for rescue (September 2022)
- Certificate of firefighting and prevention team (5 certificates issues on December 24, 2022)
- Occupational Safety and Hygiene training records and certificates
- Lightning protection inspection records (September 2023)
- Fire drill with local fire department records (December 29, 2022)
- Government licenses and checks on air quality and noise level
- Trained first aider register (December, 2022)


**Any other comments:**


Nil

<p>Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory did set up the Occupational Health &amp; Safety policies and procedures in Nov. 2022 and posted it at notice board</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The policy in health and safety established in November 2022 was available</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Construction permit is provided for review</p>
<p>Are visitors to the site informed on H&amp;S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The visitors are not required to wear mask during factory tour.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There was no clinic. However, the factory sign contract with a medical station to support in cases of emergency.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: There was one (1) internal nurse and the factory did sign contract with a local medical department to provide medical services to the factory</p>
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Workers go to the factory by them motorcycles. However, factory provides monthly transportation supporting to workers (VND200,000/month)</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There was no dormitory for the both workers and management. However, factory provides monthly allowance supporting to workers (VND100,000/month/worker)</p>
<p>Are H&amp;S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory conducted H&amp;S Risk assessments once per year and provided the records for review. The newest one was on December 10, 2022</p>


Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory provided all required permits, certificates and records for review.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site had a copy of the banned substances list from its customer and met those requirements.

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Reference	ZAF600003096	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
ETI code or local law issue	In accordance with Article II.7.3 of the QCVN 05: 2020/BCT - Circular No.48/2020/TT-BCT - Requirements concerning containers and goods labels: A chemical label must be easily legible and tear resistant. If the label is lost or damaged resulting in it not clearly indicating the chemical in the container, it an analysis shall be carried out to identify the name and primary contents of the chemical to attach a new label before it is sold or used (even in the case of compulsory destruction).	
Explanation to the non compliance	It was noted from facility tour, there was no secondary containment for one (1) chemical container (ink) at cutting area	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility shall ensure to provide secondary container for all liquid chemicals.	
		 <p><u>NC01 - Chemical placed on floor, without secondary container.jpg</u></p>

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Reference	ZAF600003097	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code or local law issue	In accordance with Article 5.4 of the Decree 14/2014/ND-CP - General requirements for safety in generation, transmission, distribution and use of electricity for production: At the operating positions, there must be all procedures: Equipment operation, troubleshooting of electrical incidents; power grid outline, rules of fire prevention and fighting, operation logbook, devices, equipment and means of personal protection, restricted signs, signals and other devices and means under regulation.	
Explanation to the non compliance	It was noted from facility tour, that one (1) electric control panel in production floor did not have warning signage	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should ensure warning sign to be posted in the electric control panel	
		
		<a href="#">NC02 - Electric control panel without danger sign.jpg</a>

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Reference	ZAF600003098	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	273 - Safety functions on machinery not present / not functioning e.g. alarm / safety stop buttons etc.	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code or local law issue	In accordance with Article 16.6 of the Law on Occupational safety and hygiene No. 84/2015/QH13 - Responsibility of the employer for assurance of occupational safety and hygiene at the workplace: There are warning and instruction signs made in Vietnamese and popular language of employees in relation to occupational safety and hygiene for machinery, equipment, materials and substances that having strict safety and hygiene requirements at the workplace, preservation places, usage places that are placed at obvious locations.	
Explanation to the non compliance	It was noted during facility tour, that emergency stop button of cutting machine was in English only not in the local language	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should ensure to post emergency stop button of cutting machine in local language	
		 NC03 - Emergency stop button in English only.jpg



Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Reference	ZAF600003099	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code or local law issue	In accordance with Article 6. of the Circular No.04/2014/TT-BLĐTBXH - Principles for use of personal protective equipment: The employer shall instruct their workers how to smoothly use the adequate personal protective equipment and closely supervise their use.	
Explanation to the non compliance	It was noted from facility tour two (2) workers at bag blowing area did not wear mask	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should ensure workers to wear personnel protective equipment properly	
		 <p><u>NC04 - Worker did not wear mask when working at bag blowing area.jpg</u></p>

**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 a recruitment procedure on prohibiting child labor in Nov. 2022
- All employees were hired by the HR Department.
- Checked of personnel files of 10 all employees showed that all ID copies were in files.
- Based on documents review, there was no child labor in the factory. The youngest employee on site was 18 years old.
- There was total 10 employees in the factory.

**Evidence examined:**

- Latest list of all employees.
- Personnel files of 10 employees.
- Worker's interview
- Management interview
- Trade union representatives interview
- Site Observation.
- Employment procedure
- Employment recruitment notice

**Any other comments:**

Nil

Legal age of employment:	15
Age of youngest worker found:	27
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: There was no workers under 18 years of age

**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:**

- The legal minimum wage was VND 4,160,000/month (VND20,000/hour) applied for Area II.
- The factory had a wage table and registered with the local labor bureau on Oct 1, 2022
- Meal for lunch or for overtime work were provided without cost
- All workers' wages were calculated by hourly and monthly rate. The minimum basic wage paid by the factory was VND5,010,000 per month from October 1, 2022
- Overtime hours were compensated 150% as per the local law
- All workers were paid on 29th or 30th of each month by cash and each worker was given a pay slip and signed for their wages. The latest payment for December 2022 was on December 29, 2022 The payment is understood by all employees
- Document review of payroll and employee wage records showed that all workers had all social insurance deducted
- Benefits of paid, annual leave, was given to all workers and child-bearing leave to appropriate workers.
- All social insurance payments were passed on to the relevant authorities in a timely manner.

**Evidence examined:**

- Approved wage scale applied for the year 2022 (registered on October 15, 2022)
- Local and national law (Government Decree on minimum wage – VND4,160,000 (region II))
- Local legal minimum wage documents
- Wages and benefits policy
- Payroll records and time records from October 2022 to December 2022
- Social insurance and payment receipts from the local labor department (Did pay for November 2022)
- Sick allowance / accident allowance and maternity allowance
- Terminated worker's records
- Labor contracts for all employees (in personnel file)
- Resignation records
- Pay slips of all workers interviewed
- Hours records to check hourly rates and any overtime premiums Annual leave records

**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: 10.0 Per Week: 48.0 Per Month: 216.0	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 216.0	YES
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: 60.0	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	YES
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: 20000.0 Per Week: null Per Month: 4160000.0	Actual Per Day: 24086.0 Per Week: 1156153.0 Per Month: 5010000.0	YES
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: 1.5 Per Week: null Per Month: null	Actual Per Day: 24086.0 Per Week: 1156153.0 Per Month: 5010000.0	YES
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)	10 samples from October 2022 (Random) 10 samples from November 2022 (Random) 10 samples from December 2022 (Current)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Region-based minimum wages applied from July 1, 2022 to December 31, 2023: a) For enterprises located in region I: VND 4,680,000/month. b) For enterprises located in region II: VND 4,160,000/month. c) For enterprises located in region III: VND 3,640,000/month. d) For enterprises located in region IV: VND 3,250,000/month. Factory is located in the Region II		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.			
Please indicate the breakdown of workforce per earnings	0% of workforce earning under minimum wage 0% of workforce earning minimum wage 100% of workforce earning above minimum wage		

Bonus Scheme found: Please specify details:	Bonus Scheme found:•Transportation supporting: VND200,000/month •Accommodation: VND100,000/month •Diligent allowance: VND200,000/month •Childcare: VND30,000/month •Meal for lunch were provided without cost 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%; •Health insurance: 1.5%; •Unemployment insurance: 1%; •Trade union fee: 1%
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please list all deductions that have been made.	1.Social insurance 2.Health insurance 3.Unemployment insurance 4.Trade union fee
Please list all deductions that have not been made.	Deduction was made in monthly basic
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  10 interviewed employees' all confirmed that all working hours were recorded adequate and compensated properly
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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> 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).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  However, factory starts their operation since 03 months ago.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Workers are paid base on the wage scale which was approved by the authority.

How are workers paid:	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Bank Transfer	<input type="checkbox"/> Cheque <input type="checkbox"/> Other
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**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:**

- The factory provided hours and wages records from Oct 2022 to Dec 2022 for review
- Printer Card time record machines are used to monitor working hours of workers
- Workers recorded their working time two (2) time per days: one (1) at the beginning of the day and one (1) time at the end of the shift.
- According to time records and worker's interview basic working hours were 8 hours per day and 48 hours per week
- The factory did not work overtime
- The employees were provided one day off in every 7-day-period.
- Through employees" interview, overtime is voluntary.

**Evidence examined:**

- Local and national laws
- Factory policy on working hours (November. 2022)
- Employee interview (8)
- Management interview (1)
- Trade union representative interview (1)
- Three (03) months" hours records (October 2022 – December 2022)
- Sample pay slips with recorded hours all workers interviewed
- Workers contracts (10)
- Quality and production records to cross check hours
- Security records

**Any other comments:**

Nil

**Working hours' analysis**

**Systems & Processes**

What timekeeping systems are used?	Working hours are recorded by electric fingerprinting machines
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Oct 2022 (random month): 0 hour per day, 0 hours per week and 0 hours per month; Nov 2022 (random month): 0 hours per day, 0 hours per week and 0 hours per month; Dec 2022 (Current month): 0 hour per day, 0 hours per week and 0 hours per month
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Workers did work 48 hours per week and did not work overtime
Approximate percentage of total workers on highest overtime hours:	100%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: However, workers still did not work overtime
<b>Overtime premium</b>	



<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details: Workers did not work overtime. However, as per the factory policy, overtime on normal days will be paid 150%; on Rest day will be paid 200% and Holiday work will be paid 400%</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Workers did not work overtime. However, as per the factory policy, overtime on normal days will be paid 150%; on Rest day will be paid 200% and Holiday work will be paid 400%</p>
<p>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.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input checked="" type="checkbox"/> Other</p>
<p>Please give details</p>	<p>Not applicable. Workers did not work overtime. However, as per the factory policy, overtime on normal days will be paid 150%; on Rest day will be paid 200% and Holiday work will be paid 400%</p>
<p>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)</p>	<p><input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>As per the factory policy, overtime on normal days will be paid 150%; on Rest day will be paid 200% and Holiday work will be paid 400%</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

**7 - No Discrimination is Practiced**  
**[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:**

- Factory established Policy and procedure for Anti-discrimination procedure on hiring, compensation, promotion (November, 2022)
- No employee was required to do the examination of the hepatitis B virus and HIV
- Pregnant test was not required for female employees before employment
- Gender divisions did not exist in the factory; both female and male employees were distributed in all types of work.
- All 10 interviewed employees were aware of the grievance channels in case they encountered any discrimination cases
- There was no evidence of sexual harassment.

**Evidence examined:**

- Payrolls (from October 2022 to December 2022)
- Attendance records (from October 2022 to December 2022)
- Termination records
- Training records
- Personnel files (10)
- Worker's interview (8)
- Management interview (1)
- Trade union interview (1)

**Any other comments:**

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 20%	Female: 80%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	There was one (1) environmental engineer, in charge of Environment	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	No evidence of discrimination found	
<b>Professional Development</b>		
What type of training and development are available for workers?	All employees are given annual OSH training	

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 factory directly. No labor agency was used to hire employees.
- No temporary employees, apprenticeship schemes or home worker was identified by the auditors.
- No subcontractor was used.
- All of employees had received the labor contract.

**Evidence examined:**

- The hiring and termination practices
- Personal files (10)
- Payroll records were provided for review (10 records for October 2022, 10 records for November 2022 and 10 records for December 2022)

**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?	<input checked="" type="checkbox"/> Terms & Conditions presented	<input checked="" type="checkbox"/> Understood by workers
	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**Migrant Workers**

Type of work undertaken by migrant workers:	There was no migrant worker.
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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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. There was no migrant worker.
Is there any observation on this finding?	Not applicable. There was no migrant worker.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>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.)</b>	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	No agency used in factory
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency used in factory
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency used in factory
<b>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.)</b>	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory did not use contract workers
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory did not use contract workers

**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:**

- A site tour showed that all production processes were present in the factory
- No sub-contractor was identified in the factory.
- No homeworking was identified in the factory.

**Evidence examined:**

- Social accountability manual, the factory had established social accountability manual including
- sub-contracting control procedure.
- Management interview and worker interview
- Onsite tour

**Any other comments:**

Nil

**Summary of sub-contracting – if applicable**

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

**Summary of homeworking – if applicable**

Is homeworking used at this site?               Yes     No



<p>Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>



**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:**

- Based on records review, management and workers interview, no employment agency was used by the factory.
- The factory recruited the new workers directly by the advertisements.
- All employees in the factory were Vietnamese.
- All workers had the proper legal rights to work in this region.
- No agency staff or migrant worker was found during this audit.

**Evidence examined:**

- Employment procedure (November 2022)
- Factory internal regulation (December 20th, 2022)
- Personal files with contracts (10)
- Interview with management, workers and trade union 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 facility did establish Environmental protection plan
- The facility did establish a written environmental policy (November, 2022)
- The factory implemented environment measurement on December 20, 2022)
- Wastes had been collected by the local rubbish station.
- Hazardous wastes had been collected by the qualified contractor. The relevant document and files were available for review. Such as hazardous wastes treatment contract, qualified certification for hazardous wastes treatment, Business Licenses, Transfer record etc.

**Evidence examined:**

- Environmental Protection Schemes
- Permits to discharge of water
- Environmental protection plan
- Environment measurement report December 20, 2022
- Register of hazardous waste generator
- Contract to collect, transport and dispose of hazardous waste Dec. 20, 2022
- Hazardous waste disposal licenses of the facility collect, transport and dispose of hazardous waste
- Business licensee of the facility collect, transport and dispose of hazardous waste
- Site tour at waste collected area
- Statistics of monthly energy use
- Payment receipt for electricity bill
- Monthly output statistics

**Any other comments:**

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Ms. Tu Xuan Lan –Director; Ms. Ly Hue Ngoc – HR and Compliance; Mr. Tran Van Minh – Vice Director
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory did conducted a risk assessment on the environmental impact of the site annually.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory is not required to certificate of ISO 14000.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory did implement environment impact assessment since May 2021
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not have any environmental certifications and is not required to join these program
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Permits for discharge of waste water into the drainage system: No.257/QDUBND dated December 15,. 3, 2021;
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The factory did sign contract with an authorized environmental facility to collect, transport and dispose of hazardous waste (valid from December 20, 2022 to December 20, 2023)
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had environment policy and risk assessment as well as monitoring report. Dye is the main chemicals used in the factory.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 5% per year

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Paper and carton boxes are separated from garbage, transferred to the authorized environmental facility for recycling
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory statistics of monthly energy consumption, include: 1.Total output (units); 2.Used water (m3); 3.Used electric (kWh); 4.Waste water (m3); 5.Normal waste (Kg); 6.Hazardous waste (Kg)
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory confirmed that they did not have Subcontractors

Usage/Discharge analysis		
Criteria	Previous year: 2021	Current year: 2022
Electricity Usage: Kw/hrs	0	460
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	0	Local water authority
Water Volume Used	0	60
Water Discharged	0	Water discharged into the Hai Son Industrial Zone
Water Volume Discharged	0	48
Water Volume Recycled	0	0
Total waste produced	0	919,625 (kg)
Total hazardous waste produced	0	186,05kg
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	0	6,000,000pcs

Observation		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Observation</b>		
Reference	ZAF600003095	
Clause	10B4 - Environment 4–Pillar	
Issue Title	610 - Environmental section of the Sedex SAQ not completed	
Subcategory	General Environmental Permits, & Management systems	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	The facility did not aware of the requirement	
Explanation to the observation	It was noted that the facility did not complete the environment section of the SAQ	
Actions	It is recommended that the facility should complete the environment section of the SAQ and made it available to the auditor.	

**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 HR manager and Compliance officer was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
- The factory established a business ethics policy which was communicated to workers through posters and training on November 21, 2022
- The factory did receive and read the Business Ethics policy of the auditor/audit company.
- One (1) manager and two (2) workers had been sampled for interview regarding Business Ethics issues.
- There was an internal grievance process, which was an anonymous email address.

**Evidence examined:**

- The factory business ethics policy including
- Bribery and Corruption
  - Training records
  - Worker handbook
  - Reports from Anonymous email account

**Any other comments:**

Nil

<p>Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy</p> <p><input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details: the bellow Code of Conduct are hang on the all for all to see, including: 1.The factory Code of Conduct 2.Global Business Partner Code of Conduct 3.ETI Code of Conduct</p>
<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The HR manager did provide training to the relevant personnel</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory policies and SOP are updated since Oct 2022</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory officers are trained by the Vendor</p>

## Attachments



12. Smoke detector system.jpg



13. Fire alarm button.jpg



11. Lazer fire alarm system.jpg



21. Fire control box.jpg



24. Restroom area.jpg



17. Firefighting equipment.jpg





23. Drinking water.jpg



5. Factory overview.jpg



15. Open outward exit door.jpg



14. Exit sign at door.jpg



22. First aid kit.jpg



2. Factory gate.jpg



18. Fire warning sign at work floor.jpg



19. Fire hose.jpg



3. Factory office.jpg



28. Eye-wash facility at chemical storage.jpg



7. Production floor.jpg



10. Spinkler system.jpg



9. Production floor.jpg



4. Factory overview.jpg



25. Notice board.jpg



6. Production floor.jpg



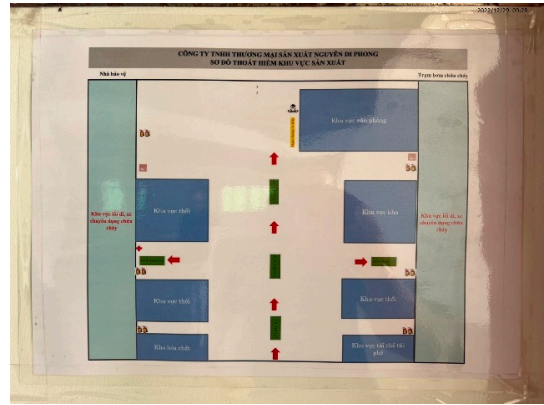
27. Chemical storage.jpg



20. Firewater pump system.jpg



26. Suggestion box.jpg



16. Evacuation map.jpg



8. Production floor.jpg



1. Factory name.jpg



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

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

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