



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1026951	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 3292955
Business name (Company name):	HANOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY (HAPROSIMEX JSC) – BINH DUONG BRANCH		
Site name:	HANOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY (HAPROSIMEX JSC) – BINH DUONG BRANCH		
Site address: <i>(Please include full address)</i>	Land plot No. 1080 and 1081, map no. 35, Bo La Hamlet, Phuoc Hoa Commune, Phu Giao District, Binh Duong Province	Country:	Vietnam
Site contact and job title:	Mr. Nguyen Thanh Hai – Vice Plant Manager Mr. Vu Ngoc Dung – Plant Manager		
Site phone:	842743800661	Site e-mail:	<a href="mailto:hai.nguyen@haprosimexjsc.com">hai.nguyen@haprosimexjsc.com</a>
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	10 October 2022 / Desktop review 10 Nov 2022		

<b>Audit Company Name &amp; Logo:</b>  <b>SGS Vietnam Ltd</b>	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i> <b>HANOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY (HAPROSIMEX JSC) – BINH DUONG BRANCH</b>
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto:grievance@sedex.com).

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Nguyen Ngoc Thong APSCA number: RA 21700485  
Lead auditor APSCA status: In good standing  
Team auditor: Vu Duc Quang Cong APSCA number: RA 21704267  
Interviewers: VU Duc Quang Cong APSCA number: RA 21704267  
Report writer: Nguyen Ngoc Thong

Report reviewer: Vikash Mishra

Date of declaration: 10 October 2022 / Desktop review 10 Nov 2022

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

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

## Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	<a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	• Non observed
0B	<a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• Non observed
1.	<a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• Non observed
2	<a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• Non observed
3	<a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	02 / 0	0	0	<b>NC</b> <ol style="list-style-type: none"> <li>Canteen provided is insufficient to meet legal requirements.</li> <li>Irregular occupational health checks including disease checks of workers in hazardous situations.</li> </ol> <b>Desktop review 10 Nov 2022: Closed</b> <ol style="list-style-type: none"> <li>Based on provided photo evidence, it was noted that the facility has sealed food samples correctly.</li> <li>Based on provided photo evidence, it was noted that the facility has provided ooperators of cashew nut sorting machine</li> </ol>

									who are classified as doing heavy job on 20 Oct 2022.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• Non observed
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• Non observed
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• Non observed
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• Non observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• Non observed
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• Non observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• Non observed
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• Non observed
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	• Not applicable
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• Non observed
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	03/0	0	0	<b>NC</b> <ul style="list-style-type: none"> <li>The facility has not established a transparent system in place for confidentially reporting and managing resolution of issues such as bribery, corruption, and unethical business practices</li> <li>The facility has not established a confidential whistleblowing procedure in place.</li> </ul>



									<ul style="list-style-type: none"> <li>The facility has not communicated whistleblowing procedure to all employees.</li> </ul> <p><b>Desktop review 10 Nov 2022: Closed</b></p> <ul style="list-style-type: none"> <li>Based on provided document, it was noted that the facility has established a transparent system in place for confidentially reporting and managing resolution of issues such as bribery, corruption, and unethical business practices dated 14 Oct 2022 including definition, zero tolerance to unethical behaviour, key contact persons, telephone, email and handling procedure.</li> <li>Based on provided document, it was noted that the facility has established a confidential whistleblowing procedure dated 14 Oct 2022 with commitment of no retaliation to whistle-blowers, including facility employees, business partners, clients' staff.</li> <li>Photo evidence showed that employees were communicated about whistleblowing procedure on 15 Oct 2022.</li> </ul>
General observations and summary of the site:									
<p>HA NOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY- BINH DUONG BRANCH was founded under Business License No. 0306695214-002 was issued by Department of Planning and Investment of Binh Duong Province issued on 10 Oct 2013 and latest revised on 23 Mar 2022. The facility located at Land plot No. 1080 and 1081, map no. 35, Bo La Hamlet, Phuoc Hoa Commune, Phu Giao District, Binh Duong Province, Vietnam</p> <p>The facility has 5 buildings that are owned by the facility.</p> <ul style="list-style-type: none"> <li>One 2-storey building (building 1) for office rooms, meeting room, medical room on 1<sup>st</sup>/ground floor and canteen and director room on 2<sup>nd</sup> floor</li> <li>One 1-storey building (building 2) cashew nut splitting workshop</li> </ul>									

- One 1-storey building (building 3): cashew nut processing section
- One 1-storey building (building 4): pepper processing section
- One 1-storey building (building 5): utility facility for boiler, toilets, maintenance, parking area.

Workweek is from Monday to Saturday. The daily working time of the facility is from 07:30 to 16:30, excluding a 60-minute break for lunch break. In addition, the employees are entitled to 2 paid short breaks from 09:30 to 09:45 and 14:30 to 14:15. The facility installs fingerprint device for workers to record their daily working time by themselves.

The facility applied monthly salary basis for all employees. The pay day is set on 5<sup>th</sup> of following month. Salary is paid via bank transfer as well as in cash (for new worker who has not owned bank account).

There was a total 92 declared employees (53 males and 39 female). Through employee list, payrolls, and time records from Oct 2021 to Sep 2022, 10 employees were randomly selected for detailed review and divided into 1 group of 4 plus 6 individuals for interview. Selected sample workers were interviewed during site observation and in a private audit room independently without restriction from factory management. They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.

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



## Site Details

Site Details		
A: Company Name:	HANOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY (HAPROSIMEX JSC) – BINH DUONG BRANCH	
B: Site name:	HANOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY (HAPROSIMEX JSC) – BINH DUONG BRANCH	
C: GPS location: (If available)	GPS Address: Land plot No. 1080 and 1081, map no. 35, Bo La Hamlet, Phuoc Hoa Commune, Phu Giao District, Binh Duong Province	Latitude: 11.217825 Longitude: 106.719956
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	0306695214-002 issued 10 Oct 2013, latest updated on 23 Mar 2022	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	<p>Processing of pepper: Receiving material -&gt; check/input -&gt; sifter -&gt; de-stoner -&gt; roller magnet -&gt; spiral system-&gt; aspirator -&gt; mixer-balancing density -&gt; magnet -&gt; metal detector -&gt; packing -&gt; check -&gt; finished goods</p> <p>Processing of cashew nuts: Raw material -&gt; Colour sorting -&gt; Hand-grading-&gt;Fumigation -&gt; Sifting -&gt; X-ray machine-&gt; Handpicking -&gt; Tin box packing-&gt; Metal detector -&gt;Weighing -&gt; Carton packing -&gt; finished products</p> <p>Machinery included: 02 cleaning machines system, 01 steam sterilize system, 02 colour sorting machines, 03 metal detector, 02 sieving machines, 02 vacuum machines, 01 boiler, 02 pressor vessels, and 3 forklifts.</p> <p>Production line: 2 full production lines for pepper and cashew nuts.</p>	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>HA NOI PRODUCTION SERVICE IMPORT EXPORT JOINT STOCK COMPANY- BINH DUONG BRANCH is located at Land plot No. 1080 and 1081, map no. 35, Bo La Hamlet, Phuoc Hoa Commune, Phu Giao District, Binh Duong Province.</p> <p>Total area is 34,952m2, consists of 4 main building as below.</p>	

Production Building no	Description	Remark, if any
Building 1	2 storey building, 720m2, it is occupied for office and canteen.	Nil
Building 2	1 storey building, 6,375m2, it is occupied for pepper production.	Nil
Building 3	1 storey building, 4,205m2, it is occupied for warehouse.	Nil
Building 4	1 storey building with mezzanine, 7,087m2, it is occupied for cashew nut production.	Nil
Building 5	Utility facility for boiler, toilets, maintenance, parking area	Nil
Is this a shared building?	No.	N/A

For below, please add any extra rows if appropriate.

F1: Visible structural integrity issues (large cracks) observed?  
☐ Yes  
☒ No

F2: Please give details: No visible structural integrity issue observed on site.

F3: Does the site have a structural engineer evaluation?  
☒ Yes  
☐ No

F4: Please give details: Certificate of land right and house ownership No. CT82820, issued on Sep 28, 2022.

G: Site function:

☐ Agent  
☒ Factory Processing/Manufacturer  
☐ Finished Product Supplier  
☐ Grower  
☐ Homeworker  
☐ Labour Provider  
☐ Pack House  
☐ Primary Producer  
☐ Service Provider  
☐ Sub-Contractor

H: Month(s) of peak season: (if applicable)

None

I: Process overview:  
*(Include products being produced, main operations, number of production lines, main equipment used)*

Processing of pepper: Receiving material -> check/input -> sifter-> de-stoner -> roller magnet -> spiral system-> aspirator -> mixer-balancing density -> magnet -> metal detector -> packing -> check -> finished goods

Processing of cashew nuts: Raw material -> Color sorting -> Hand-grading->Fumigation -> Sifting -> X.-ray machine-> Handpicking ->

	Tin box packing-> Metal detector ->Weighing -> Carton packing -> finished products
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name): Labour Trade Union of Ha Noi Production Service Import Export JSC – Binh Duong Branch <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details: No accommodation building for workers in the facility.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:55 Day 1 Time out: 16:15	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1.5-man days (2 auditors* 1 man-day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		

G: Who signed and agreed CAPR (Name and job title)	Mr. Nguyen Thanh Hai – Vice Plant Manager
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I: Previous audit date:	27 Sep 2021
J: Previous audit type:	Virtual initial
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	The union representative was workers committee representative. There was not any worker's representative in this facility. It is a common practice in Vietnam.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	N/A		

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	53	0	0	0	0	0	0	53
Worker numbers – female	39	0	0	0	0	0	0	39
Total	92	0	0	0	0	0	0	92
Number of Workers interviewed – male	4	0	0	0	0	0	0	4
Number of Workers interviewed – female	6	0	0	0	0	0	0	6
Total – interviewed sample size	10	0	0	0	0	0	0	10

A: Nationality of Management	Vietnamese
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<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: <u>Vietnamese</u> B2: Nationality 2: _____ B3: Nationality 3: _____</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: Due to market demand is low, the facility does not have peak season.</p>
<p>C: Please provide more information for the three most common nationalities.</p>	<p>C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____</p>	
<p>D: Worker remuneration (management information)</p>	<p>D: _____% workers on piece rate D1: <u>100</u> % hourly paid workers D2: _____% salaried workers</p> <p>Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: <u>100</u> % monthly paid D6: _____% other D7: If other, please give details</p>	

Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	1 group of 4	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 3	D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	Most of workers had no complaint being noted during this audit.	
I: What did the workers like the most about working at this site?	Salary was paid on time, stable jobs	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	Workers said that they have a stable job with good income to support their family. They worked less overtime hours this year (average of 10 OT hours/ month) and expecting to have more orders to work overtime.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:		



#### M: Attitude of workers:

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

There were a total 10 employees randomly being selected among 92 employees during site observation at both factories and through employee list, payrolls, and time records. They were divided into 1 group of 4 plus 6 individuals for interview. Selected sample workers were interviewed during site observation and in a private audit room independently without restriction from factory management.

All workers interviewed showed acceptable attitude to their supervisors and management. Most of workers satisfied their working conditions and employment terms. There was not any complaint of workers about the management one interviewed.

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

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

Trade Union chairman was selected for interview. No discrimination put and had time for function of representatives to access workers.

#### O: Attitude of managers:

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

The site's board of management were co-operated during whole audit processes such as: management interview, worker interview, document review, and site observation). Auditors allowed to access all premises of the site and documents; records needed for audit.

During the closing meeting, all positive and negative findings were properly communicated to the management. All issues were agreed to be corrected within suitable timeline and signed by Mr. Nguyen Thanh Hai – Vice Plant Manager.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- Satisfactory evidence collected during the document review, site observation as well as management interview confirmed that ETI Code was implemented at the site.
- Ms. Nguyen Thi Hong/ HR Manager was responsible for compliance with the human rights to all appropriate parties, including its own suppliers.
- Evidence collected during the document review as well as management interview indicated that factory had a certain awareness of Human Rights. Human Rights policy and/or procedure had been established in written as requirement. Concurrently, no human right violation was noted during this audit.
- It was noted through site tour, the review of Compliant Handling and Grievance policies / procedures, appointment letter as well as written social compliance policies that the policy and procedure on Universal Rights was established and available for review.

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

Details:

- Management interview
- Training records
- Worker interview
- Compliant Handling and Grievance policies / procedures,
- Policy and procedure on Universal Rights was established and available for review

Any other comments: None

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had a human right policy and communicate for all employees.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Nguyen Thanh Hai Job title: Vice Plant Manager
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details:
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Document review & management interview indicated that HR Policy and Confidential Procedures were established in written. All personal records were retained in every employee's personal profile. The data privacy was managed and controlled by HR department.

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

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

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2021 2 %	A2: This year: Jan-Oct 2022 1 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2021 1 %	C2: This year: Jan-Oct 2022 0.5 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0.6%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: There were some minor accidents (needle punching into fingerprint)	
F: Annual Number of work-related accidents and injuries per 100 workers: [(Number of work-related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2021 Number: 1	F2: This year: 2022 Number: 0
G: Quarterly (90 days) number of work-related accidents and injuries per 100 workers: [(Number of work-related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work-related injuries * 100) / Number of total workers]	H1: Last year: 2021 0 days	H2: This year: Jan-Oct 2022 0 days
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0 workers	I2: 12 months 0 workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0 % workers	J2: 12 months 0 % workers

## 0B: Management system and Code Implementation

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

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

### Current Systems and Evidence Examined

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

#### Current systems:

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

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

##### Details:

- Internal audit documents (the quality manager audits the personnel and wages systems)
- Client's code of conduct at the facility.
- Manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.

Any other comments: None

### Management Systems:

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

- ☐ Yes  
☒ No

A1: Please give details: The site had not been subject to any fines/ prosecution for non-compliance to any regulations during last 12 months.

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

- ☒ Yes  
☐ No

B1: Please give details:

- Anti-discrimination labour
- Anti-forced labour
- Anti-child labour

The factory verified profile workers carefully to

	avoid child labour. All working plan (normal hour and overtime hour) were communicated with the workers before implemented. The working hours were based on voluntary basis
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies exist for some of these areas (Anti-discrimination labour, Anti-forced labour, Anti-child labour and Business Ethics); these are communicated to workers via poster and annual training. Throughout worker interview and document checks, and facility tour at both Sites, it was noted that no forced labour, no child labour was found. There were both female and male among management/supervisors.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Standards on 'Forced labour' and 'No harsh treatment' were communicated to workers through posters and annual training and records were kept.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: During interviews with employees and management representative, it was noted that the managers and workers understand the terms of forced labour, child labour, discrimination, harassment & abuse which were regulated in the internal regulation.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: <ul style="list-style-type: none"> <li>- HALAL Certificate valid from 03 Feb 2022 to 03 Feb 2023</li> <li>- BRC Certificate valid from 5 Aug 2022 to 9 Aug 2023</li> <li>- These 2 certificates are related to food safety and hygiene.</li> </ul>
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Ms. Nguyen Thi Hong/ HR Manager
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: The facility had appointed Mr. Nguyen Thanh Hai - Vice Plant Manager and Nguyen Thi Hong (Ms.)/ HR Manager to be in charge of implementation ETI Code of Conduct on its daily business operations

I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: A Worker's Confidential Procedure was established in written for HR and others relevant departments to follow.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: A written Information Confidential Procedure was established. No such confidential information issue was identified during this audit
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility had conduct periodically health & safety risk assessment.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: The facility had conduct periodically health & safety risk assessment.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had a policy which required labour standards of its own suppliers.
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Certificate of land right and house ownership No. CT82820, issued on Sep 28, 2022.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: Reviewing the land ownership certificate, it was noted that the facility bought land to build the facility buildings as legal requirement
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: Based on the review of the land ownership certificate, it was noted that



	the facility bought land to build the facility buildings as legal requirement.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: NA
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details: NA

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

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

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

1: Freely Chosen Employment <i>(Click here to return to summary of findings)</i>
<p align="center"><b>ETI</b></p> <p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>

### Current Systems and Evidence Examined

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:

- Forced labour policies & procedures were established in written. Site observation confirmed that no prison or trafficking labour was used.
- Worker interviewed also indicated that no original ID or identity papers certificates were retained by the site. No monetary deposit was applied by the facility.

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

Details:

- Forced labour policies & procedures were established in written. Site observation confirmed that no prison or trafficking labour was used. Worker interviewed also indicated that no original ID or identity papers certificates were retained by the facility.
- Employees were free to get out of the site after working hours.
- No personal original documents (such as ID card, birth certificate ...) were kept by the facility.
- Employment was freely chosen.
- No fee for recruitment when applying for the job at the facility.
- Movement of employees at the facility was not prohibited or limited.
- Employees can access to toilets and potable water.
- Overtimes were always performed on voluntary basis.
- The facility does not limit the employees' freedom during break time and when the working shift ends.

Any other comments: None

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A. Employees were free to terminate the employment.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

leave the site at the end of the work day?	F1: Please describe finding: N/A. Workers were free to leave the facility when ending of working shift.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility has established a policy and procedure on forced and trafficked labour. It was trained for employees and managers and posted at publicity accordingly.

### Non-compliance:

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

<b>Description of observation:</b> None observed.  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b> N/A
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### Good Examples observed:

<b>Description of Good Example (GE):</b> None observed.	<b>Objective evidence observed:</b> N/A
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## 2: Freedom of Association and Right to Collective Bargaining are Respected

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

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

### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

- It was confirmed with management and employee's interviews as well as document review, noted that grievance mechanism, suggestion box records, trade union chairman election and meeting records were available for review.
- No discrimination was noted between trade and non-trade union employees. Trade union chairman – Ms. Nguyen Thi Ngoc Hanh was freely elected on 27 May 2022. Board of Trade union with 8 executive members were provided with adequate facilities to perform their tasks. Freedom of Association procedure was established in written and well communicated to employees.

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

##### Details:

- Suggestion box was posted in place to collect worker's idea or recommendation.
- CBA was established and submitted to authority department on Jan 27th, 2021
- Activities of Trade union established in place satisfied legal requirements (e.g., regular meeting of trade union board, workers conference).
- Social dialogue meetings at the workplace were conducted as legal requirement. The latest time was on 31 May 2022.

Any other comments: None

A: What form of worker representation/union is there on site?	<input checked="" type="checkbox"/> Union (name) Trade Union of Ha Noi Production Service Import Export JSC – Binh Duong Branch <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes

	<input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Suggestion box, hotline, open dialogue  D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Trade Union has adequate time to carry out their activities	
F: Name of union and union representative, if applicable:	Trade Union of Ha Noi Production Service Import Export JSC – Binh Duong Branch Chairman of Trade Union: Nguyen Thi Ngoc Hanh	F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	N/A	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Chairman of Trade Union: Ms. Nguyen Thi Ngoc Hanh
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 12 Sep 2017
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Dialogue conference was conducted every year between the facility management and workers.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If <b>Yes</b> , what percentage by trade Union/worker representation	M1: <u>100</u> % workers covered by Union CBA	M2: <u>    </u> % workers covered by worker rep CBA

M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  N/A

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

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

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

### Current Systems and Evidence Examined

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

#### Current systems:

##### 1. General Health & Safety management:

- Observation from facility tour, it was noted that the general working environment of the facility is clean and in good conditions. Ventilation and temperature are adequate for the production processes.
- Mr. Ho Van Dung – Maintenance Manager is head of OHS Committee. OHS Committee meets weekly, the latest minutes is on Mar 01, 2021.
- Risk assessments to all positions are revised annually, the latest version is on Jan 08, 2021.
- There are toilet facilities for all male & female workers installed in factory, which is complied with legal law requirement. The workers' toilets are provided with soap and running water.
- Relevant policy and factory regulation are posted at bulletin board.
- PPEs are provided free for workers.
- Health checks are provided annually, the last one is in May 2022.
- Workplace monitoring report is conducted annually, the latest report is on Jun 14, 2022, with adequate results.
- There is no dormitory provide for employees.

##### 2. Fire Safety

- Factory had valid fire inspection certificates that were issued by local fire safety police: Fire safety design No. 271/TD-PCCC issued on May 14, 2020.
- There are 30 firefighting members who were trained on fire safety training by local firefighting police on May 10, 2021.
- Fire and explosion insurance No. 8740/22/HD-TS.1.1/050-KDBH05 valid till 20 Oct 2022.
- Procedure for inspecting and testing for fire-fighting equipment is in place. The fire extinguishers are inspected internally once per month. All of them are tested regularly by service authorizer.
- There are at least 02 fire exits from each work area and these are clearly marked.
- Per site observation, it is noted that all fire exits, and escaped routes were unlocked and free from obstruction.
- Per site observation, auditors note that all site buildings are maintained in good physical condition.
- The factory conducts fire drills twice a year, the latest fire drill was on 1 Oct 2022, with firefighting policemen.
- Firefighting plan is approved by local fire police.



- Thunder protection system was inspected on Apr 01, 2022, and valid for one year.

### 3. Electrical & Machinery safety

- All electrical equipment is maintained in good condition.
- The electrical wires are installed in fully acceptable condition and adequately protected by isolated material as legal requirement.
- Annual machine maintenance schedule and records are reviewed. It was noted that all equipment is regularly maintained as schedule.
- Inspection certificates of 7 forklifts are valid till Apr 01, 2023.
- Inspection certificates of 7 pressure vessels and pressurize tanks are valid till Apr 26, 2023.
- Inspection certificates of 3 boilers are valid till Dec 20, 2023.
- Inspection certificates of 2 cranes are valid till Apr 26, 2023.
- Inspection certificate of Grounding system is valid till Sep 13, 2022.

### 4. Medical and Catering services

- The factory has 01 medical staff. She has medical knowledge and experience. And the factory has a medical contract with the medical centre (valid till May 19, 2023) and Travel distance from factory to medical centre within 30 minutes as legal requirement.
- There were 05 persons of different production sections and shifts were trained the first aid knowledge on May 18, 2021, with certificates issued by local medical centre.
- Drinking water is tested annually, the latest time is on Apr 27, 2022.
- 2 kitchen staffs were provided with Food safety training on Mar 28, 2021 and Health check on Jun 06, 2022.
- Catering service company has Food Safety & Hygiene certificate No. 076/2015/ATTP-CNDK, valid till Dec 03, 2022.

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

Details:

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

Any other comments: None

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

- ☒ Yes  
☐ No

A1: Please give details: The policy on EHS-Social Compliance was established on Jan 03, 2022.

B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: OHS policy is briefly mentioned on worker's manual.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No evidence of structural additions without required permits.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors are informed on H&S regulations and PPE requirements.
E: Is a medical room or medical facility provided for workers?  If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There is medical room at site, however, supplier also has contract with a local hospital for health care service, valid till May 19, 2023.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There is medical room at site, however, supplier also has contract with a local hospital for health care service, valid till May 19, 2023.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A. No transportation is provided.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: N/A. No accomodation is provided.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Risk assessments for HSE is reviewed and revised annually, the latest version is on Jan 08, 2021.
J: 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 J1: Please give details: Supplier meets legal requirements on required permits for disposal wastes.
K: 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 K1: Please give details: Supplier meets its customer requirements on environmental standards.

### Non-compliance:

### 1. Description of non-compliance:

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

Based on site observation and workers interview, it was noted that canteen provided is insufficient to meet legal requirements. Food samples are stored; however, they are not sealed as requirement.

#### Local law and/or ETI requirement

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

Decision 1246/QĐ-BYT, issue date: Mar 31, 2017, clause 2. Proceed to save the template. The stored sample must be labelled with the stored food sample label with full information: Meal, name of food sample, time of collection, sampler. Labels of stored food samples are printed from thin paper, ensuring that the seal is torn when the lid is opened. Food samples are stored separately from other foods; the storage temperature of food samples is from 2°C to 8°C. The retention time is at least 24 hours from the time of sample sealing. Make notes on the Saved Monitoring Form and cancel the stored food samples.

#### Recommended corrective action:

Supplier shall practice food safety properly.

#### Desktop review 10 Nov 2022: Closed

Based on provided photo evidence, it was noted that the facility has sealed food samples correctly.

### 2. Description of non-compliance:

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

Based on document review and management interview, it was noted that irregular occupational health checks including disease checks of workers in hazardous situations. Operators of cashew nut sorting machine who are classified as doing heavy job are not provided with health check every 6 months.

#### Local law and/or ETI requirement:

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

Law on Occupational safety No. 84/2015/QH13. Article 21. Health examination and treatment for occupational diseases for employees. Clause 1. Every year, the employer must organize a health check-up at least once for the employee; for employees who do heavy, hazardous, dangerous, or especially arduous, hazardous or dangerous occupations or jobs, employees with disabilities, minor workers, elderly workers health check-up at least every 6 months.

### 1/ Objective evidence observed:

(where relevant please add photo numbers)

Site observation,  
Worker interview  
Picture No. 1

2/ Document review  
and management  
interview.

**Recommended corrective action:**

Supplier shall provide employees doing heavy and harmful jobs with adequate health check as legal requirement.

**Desktop review 10 Nov 2022: Closed**

Based on provided photo evidence, it was noted that the facility has provided operators of cashew nut sorting machine who are classified as doing heavy job on 20 Oct 2022.

**Observation:**

**Description of observation:** None Observed

**Local law or ETI requirement:**

**Recommended corrective action:**

**Objective evidence observed:**

N/A

**Good Examples observed:**

Description of Good Example (GE): None Observed

**Objective Evidence Observed:**

N/A

#### 4: Child Labour Shall Not Be Used

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

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

##### ETI

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

#### Current Systems and Evidence Examined

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

##### Current systems:

- The factory has established policy of child labour including remedial action once any incident of child labour identified. This policy was issued on 08 Mar 2021.
- Procedure of recruitment could ensure how effectiveness of verifying work age of workers was. It has been acknowledged by HR and admin staffs.
- No child labour was noted, observed and or reported during this audit. This was confirmed through site observation, document review & worker interview.

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

Details:

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

Any other comments: None

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

#### Non-compliance:

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

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

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

## 5: Living Wages are Paid

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

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

### ETI

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- Wage policy was established and followed properly. Compulsory insurance scheme was provided all employees as legal requirement.
- A provided salary scale, the legal minimum wage applied for this facility was VND 4,680,000 per month since 1 July 2022 up to audit date. Meanwhile, the facility is paying from VND 5,010,000 per month to VND 5,260,000 per month for production workers and higher than that for supervisors and managers.
- The site applied monthly salary basis for 100% employee. The monthly salary was paid for all employees on 5th monthly via bank transfer (local bank named: Vietcombank)
- Wage slip was provided to individual workers at the payment salary.
- Based on provided payroll records of Nov 2021, April 2022, and Sep 2022, it was observed that the workers earned a monthly wage of VND 5,270,000 to VND 9,694,000. The lowest hourly wage was VND 25,336 (5,270,000 per month) which was above regional minimum wage at VND 4,680,000 per month
- Extra allowances were such as below:
  - Housing allowance: VND 200,000 ~ 1,800,000 per month.
  - Gasoline allowance: VND 200,000 ~ 1,800,000 per month.
  - Kindergarten allowance: VND 70,000 per month (for 1 child under 6 years old).
  - Attendance allowance: VND 300,000 per month.
  - Discipline behaviour: VND 300,000 per month,
  - Skill/Incentive bonus: VND 200,000 ~ 3,000,000 per month

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

##### Details:

- Wage scale which was established and approved by the authority.
- Pay rolls of the past 12 months (Oct 2021 to Sep 2022).
- Insurance payment slips and list of last three months.
- Payments for accidents, maternity leaves were also reviewed.

Any other comments: None

### Non-compliance:



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

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

Good Examples observed:	
<b>Description of Good Example (GE):</b> <ul style="list-style-type: none"> <li>Housing allowance: VND 200,000 ~ 1,800,000 per month.</li> <li>Gasoline allowance: VND 200,000 ~ 1,800,000 per month.</li> <li>Kindergarten allowance: VND 70,000 per month (for 1 child under 6 years old).</li> <li>Attendance allowance: VND 300,000 per month.</li> <li>Discipline behaviour: VND 300,000 per month,</li> <li>Skill/Incentive bonus: VND 200,000 ~ 3,000,000 per month</li> </ul>	<b>Objective Evidence Observed:</b> Policies and Procedure Management interview Worker interview Payroll records

## Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day 48 hours per week	A1: 8 hours per day and 48 hours per week	A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 4 hours/day, 40 hours/month	B1: 1 hour/day, 26 hours/month	B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Jan 2020 to 30 June 2022: VND 4,420,00 / month before July 2022	C1: Jan 2020 to 30 June 2022: VND 4,420,000/ month Since 1 Jul 2022:	C2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	Since 1 July 2022: VND 4,680,000 /month	VND 5,010,000 /month	
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Weekday: 150% Rest-day: 200% Holiday: 300%	D1: Weekday: 150%	D2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis: <a href="#">(Click here to return to Key Information)</a>	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If <b>No</b> , why not?	N/A
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples in Sep 2022 (Current month) 10 samples in April 2022 (Random month) 10 samples in Nov 2021 (Random month)
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If <b>Yes</b> , please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A D1: If <b>No</b> , please give details:
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc.  VND 5,270,000 per month
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: 100% of workforce earning above minimum wage
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.  <ul style="list-style-type: none"> <li>Housing allowance: VND 200,000 ~ 1,800,000 per month.</li> <li>Gasoline allowance: VND 200,000 ~ 1,800,000 per month.</li> <li>Kindergarten allowance: VND 70,000 per month (for 1 child under 6 years old).</li> <li>Attendance allowance: VND 300,000 per month.</li> <li>Discipline behaviour: VND 300,000 per month,</li> <li>Skill/Incentive bonus: VND 200,000 ~ 3,000,000 per month</li> </ul>

H: What deductions are required by law e.g. social insurance? Please state all types:	Employees should pay and be deducted from their monthly salary for insurance		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that <b>have</b> been made.	1. Insurance 2. Trade Union  Please describe: 10,5% contract salary for insurance:1% contract salary
		I2: Please list all deductions that <b>have not</b> been made.	1. 2.  Please describe:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type  <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: N/A		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:		
N: 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 N1: Please give details: Review yearly		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  P1: Please give details:</p>
<p>Q: How are workers paid:</p>	<p><input type="checkbox"/> Cash  <input type="checkbox"/> Cheque  <input checked="" type="checkbox"/> Bank Transfer  <input type="checkbox"/> Other  Q1: If other, please explain:</p>

## 6: Working Hours are not Excessive

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

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

### ETI

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

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

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

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

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

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

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

## Current Systems and Evidence Examined

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

### Current systems:

- The number of normal hours working meet local law (8 normal working hour per day), overtime hour does not exceed hours specified by national and local laws. Every month the facility has applied off Saturday for employees is higher than legal requirement.
- Administration shift and most of production sections: 7:30 to 16:30. The lunch breaks are arranged from 11:30 to 12:30 and short breaks: 9:30 ~ 9:45, 14:30 ~ 14:45.
- Employees have one day of each week on Sunday, and they have right to refuse overtime.
- The facility installed ed fingerprint machine to record their attendance record with time-in and time-out for every day
- Minimum wage, overtime wage and working hours have been verified.
- No inconsistencies were noted during this audit.

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

Details:

- Employee interview
- Management interview
- Local and national laws
- Factory policy on working hours
- Computerized time logging system
- Sample pay slips with recorded hours all workers interviewed
- Workers' contracts
- 12 months' payroll and hours records to establish highest and lowest hours over all employees
- Quality and production records to cross check hours

### Non-compliance:

#### 1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement:

Recommended corrective action:

#### Objective evidence observed:

(where relevant please add photo numbers)

N/A

### Observation:

Description of observation: None observed

Local law or ETI requirement:

Comments:

#### Objective evidence observed:

N/A

### Good Examples observed:

Description of Good Example (GE): None observed

#### Objective Evidence Observed:

N/A

### Working hours' analysis

Please include time e.g. hour/week/month  
(Go back to Key information)

#### Systems & Processes

A. What timekeeping systems are used: time card etc.

Describe: Fingerprint machine are used to monitor working hours

B: Is sample size same as in wages section?

☒ Yes

☐ No

B1: If no, please give details: N/A

C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
E: Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency Please give details:			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: 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 days			
<b>Standard/Contracted Hours worked</b>					
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:			
		NA			
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:			
		NA			
<b>Overtime Hours worked</b>					
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day				

J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	10 %	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages: 150% for overtime on weekday (if any) 200% for Sunday work (if any) 300% for Holiday work (if any)
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency:
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> <b>Overtime is voluntary</b> <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
Q: Is there evidence that overtime hours are being used for extended	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: NA	



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

## 7: No Discrimination is Practiced

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

### ETI

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

### Current Systems and Evidence Examined

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

#### Current systems:

- Policy on non-discrimination performance was established on 5 Jan 2017 and updated on 2 Jan 2020 in place.
- No evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or politics was found.
- The facility explicitly prohibited mandatory pregnancy testing as a condition of employment or continued employment.
- The employees were paid of the same job and allowance with the same rate irrespective of gender, age, or other issues.

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

##### Details:

- Reviewing recruitment documents,
- Payrolls and time records,
- Disciplinary records confirmed that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Any other comments: None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>95</u> % A2: Female <u>5</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	1
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input type="checkbox"/> No evidence of discrimination found  C1: Please give details: N/A

## Professional Development

A: What type of training and development are available for workers?

Workers were provided health and safety, fire drill, first aid training, Integration training, Periodic refresher training

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?

☒ Yes  
☐ No

If no, please give details: N/A

## Non-compliance:

### 1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement:

Recommended corrective action:

### Objective evidence observed:

(where relevant please add photo numbers)

N/A

## Observation:

Description of observation: None observed

Local law or ETI requirement:

Comments:

### Objective evidence observed:

N/A

## Good Examples observed:

Description of Good Example (GE): None observed

### Objective Evidence Observed:

N/A

## 8: Regular Employment Is Provided

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

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

### ETI

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

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

### Additional Elements: Responsible Recruitment

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

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

- The site management understood legal law requirements regarding employment process and contribution of social insurance. No agency or temporary worker found in audit days. Worker contracts accurately reflect the agreed payment and terms in the recruitment process and were understood and signed by workers. One copy of labour contract was kept by workers.

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

##### Details:

- The factory applied 2 months of training contract for new workers. After that, workers signed 02 definite labour contracts (12 months) then they became permanent workers. There were no seasonal/contract workers working in factory as of the audit time.
- The factory provided social insurance for workers after finished probation period, which was complied with legal law requirement.
- The payment records of the contribution to the insurance fund were available for review. And records showed that employees receive the benefits of the insurance program such as sick leave, pregnant check, and maternity leave were available. In addition, the factory settled social insurance fee to local social insurance department correctly.

Any other comments: None

### Non-compliance:

#### 1. Description of non-compliance:

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

None observed

Local law and/or ETI requirement:

Recommended corrective action:

#### Objective evidence observed:

(where relevant please add photo numbers)

N/A

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

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

## Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions  A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between workplace and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details:

D: If any checked, give details:	N/A
----------------------------------	-----

Migrant Workers:		
<p>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</p>		
A: Type of work undertaken by migrant workers:	Not applicable. All workers were Vietnamese who were directly recruited.	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used:  B2: Total number of (outside of local country) recruitment agencies used:	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:	C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  D1: If yes, number and example of roles: N/A	

## NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between workplace and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits

	<input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other  B1 – If other, please give details:
C: If any checked, give details:	N/A

<b>Agency Workers (if applicable)</b> <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A There was no agency being used at factory. Workers were hired directly by the factory.
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No  D1: Please give details: N/A
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No  E1: Please give details: N/A

<b>Contractors:</b> <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If <b>Yes</b> , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	N/A

### 8A: Sub-Contracting and Homeworking

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

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

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

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

*Note to auditor on homeworking:*

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- Based on document check, workers and management interview it was confirmed that the facility did not use subcontractor and homework during their production process.

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

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

Process Subcontracted	Process 1	Process 2
Name of factory	N/A	N/A
Address		

Process Subcontracted	Process 3	Process 4
Name of factory	N/A	N/A
Address		

Process Subcontracted	Process 5	Process 6
Name of factory	N/A	N/A
Address		

Details: N/A

**Non-compliance:**



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

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

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

Summary of sub-contracting – if applicable <input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' workload in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If <b>Yes</b> , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If <b>Yes</b> , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If <b>Yes</b> , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

## 9: No Harsh or Inhumane Treatment is Allowed

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

## ETI

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Suggestion box, Hotline number
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	All interviewed workers said that they know location of suggestion boxes quipped at the production areas and easily accessible for workers. In addition, list of hotline number was posted in production areas.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box: 01 pcs Hotline number: 01
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Suggestion box
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details

I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  I1: If yes, please give details
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<p align="center"><b>Current Systems and Evidence Examined</b></p> <p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p> <p><b>Current systems:</b></p> <ul style="list-style-type: none"> <li>- Based on document check, the facility has discipline rules are in compliance with local law and communicated to all workers. All disciplinary actions are recorded.</li> <li>- Grievance channels were provided for worker to report harsh treatment.</li> </ul> <p><b>Evidence examined – to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</b></p> <p>Details:</p> <ul style="list-style-type: none"> <li>- Disciplinary practice records</li> <li>- Workers and Trade union interview</li> <li>- Discipline rules</li> <li>- Collective labour agreements</li> </ul> <p>Any other comments: None</p>
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<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>None observed</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> (where relevant please add photo numbers)</p> <p>N/A</p>

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

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

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

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

### Additional Elements

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- All workers are recruited directly by employer, the facility did not use agency. Personnel file of workers are maintained with copy of ID, Birth certificate, family log.

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

Details:

- Labour contract
- Personnel file
- Workers and management interview

Any other comments: None

### Non-compliance:

#### 1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

None observed

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

#### Objective evidence observed:

(where relevant please add photo numbers)

N/A

### Observation:

Description of observation: None observed

Local law or ETI/Additional Elements requirement:

Comments:

#### Objective evidence observed:

N/A

### Good examples observed:

Description of Good Example (GE): None Observed

**Objective Evidence Observed:**  
N/A

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

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

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

### B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

### B4. Guidance for Observations

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

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

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

### Current Systems and Evidence Examined

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

### Current systems:

- Based on document review and management interview indicated that the facility is in compliance with all related environmental regulations.
- Environmental permits were available and valid during this audit, the environment protection plan was approved by local authority under the decision 504/QD-STNMT on Apr 22, 2020.

- The site already carried out environmental impact assessment to identify the most significant environmental impacts and conducted Environmental monitoring quarterly to monitor quality of air emission, wastewater and boundary noise as mentioned in Environmental impact assessment.
- Wastewater from facility is treated by WWTP before discharging into outside.
- The site segregated hazardous and non-hazardous waste and provide training to personnel on handling and segregating waste
- The wastewater disposed permit was 61/GP-STNMT issued on June 15,2021
- Hazardous wastes are disposed by CITENCO, contract is valid till Nov 30, 2022.
- CITENCO has hazardous waste management number No. 3-4-5-.013.VX, issued on Jan 20, 2020, valid for 5 years.

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

Details:

- Environmental policy.
- Environmental Impact Assessment report was approved by Authority department.
- Environmental monitoring report was conducted quarterly with acceptable results.
- Contract service between the factory with service provider consist of:
- Document of hazardous waste,
- Chemical inventory record,
- Worker and management interview,
- Site observation.

Any other comments: None

**Non-compliance:**
**1. Description of non-compliance:**

- ☐ NC against ETI/Additional Elements
 ☐ NC against Local
 ☐ NC against customer code:

None observed

**Local law and/or ETI/Additional Elements requirement:**
**Recommended corrective action:**
**Objective evidence observed:**
*(where relevant please add photo numbers)*

N/A

**Observation:**
**Description of observation:** None observed

**Local law or ETI/Additional elements requirements:**
**Comments:**
**Objective evidence observed:**

N/A

**Good examples observed:**

Description of Good Example (GE): None observed

**Objective Evidence Observed:**

N/A

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Ms. Nguyen Thi Hong – Vice Manager
B: 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 B1: Please give details: environmental impact assessments of the site are reviewed annually
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No ISO14000 or equivalent standards
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? EHS policy is established and communicated to all employees.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Hazardous waste, wastewater and water consumption are set reduction target annually.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Legal documents are available on audit dates
I: 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"/> N/A I1: Please give details: Hazardous chemicals inventory lists are updated daily.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The cooperation has updated version at site.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



and discharge, waste, energy and green-house gas emissions:	K1: Please give details: hazardous waste; wastewater and water consumption is set reduction target annually.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: N/A	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details: No sub-contracting agencies in their manufacturing process.	
<b>Usage/Discharge analysis</b>		
Criteria	Previous year: Please state period: <u>Jan to Dec 2021</u>	Current Year: Please state period: <u>Jan to Oct 2022</u>
Electricity Usage: Kw/hrs	1,142,995	710,147
Renewable Energy Usage: Kw/hrs	Not provided	Not provided
Gas Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	Local water authority	Local water authority
Water Volume Used: (m <sup>3</sup> )	5,115	3,855
Water Discharged: Please list all receiving waters/recipients.	Local stream	Local stream
Water Volume Discharged: (m <sup>3</sup> )	4,092	3,220
Water Volume Recycled: (m <sup>3</sup> )	0	0

Total waste Produced (please state units)	Not provided	Not provided
Total hazardous waste Produced: (please state units)	184	105.5
Waste to Recycling: (please state units)	Not provided	Not provided
Waste to Landfill: (please state units)	Not provided	Not provided
Waste to other: (please give details and state units)	Not provided	Not provided
Total Product Produced (please state units)	Not provided	Not provided

### 10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)  
To be completed for a 4-Pillar SMETA Audit

#### 10C. Compliance Requirements

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

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

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

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

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

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

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

#### 10C. Guidance for Observations

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- The facility established an Anti-bribery and Anti-corruption policy and procedure covering bribery, corruption, or any type of fraudulent Business Practice.
- The facility provided training for its employees on Business Ethics.
- The facility nominated a person to be responsible for implementing standards concerning Business Ethics.

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

##### Details:

- Anti-bribery and anti-corruption policy and procedure.
- Training records
- Management and worker interview

Any other comments: None

### Non-compliance:

#### 1. Description of non-compliance:

- ☒ NC against ETI/Additional Elements ☐ NC against Local  
☐ NC against customer code:

The facility has not established a transparent system in place for confidentially reporting and managing resolution of issues such as bribery, corruption, and unethical business practices.

#### Local law and/or ETI/Additional Elements requirement:

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

#### Recommended corrective action:

The facility shall establish a transparent system in place for confidentially reporting and managing resolution of issues such as bribery, corruption, and unethical business practices.

#### Desktop review 10 Nov 2022: Closed

Based on provided document, it was noted that the facility has established a transparent system in place for confidentially reporting and managing resolution of issues such as bribery, corruption, and unethical business practices dated 14 Oct 2022 including definition, zero tolerance to unethical behaviour, key contact persons, telephone, email and handling procedure.

#### 2. Description of non-compliance:

- ☒ NC against ETI/Additional Elements ☐ NC against Local  
☐ NC against customer code:

#### 1/ Objective evidence observed:

(where relevant please add photo numbers)

Document check,  
Management interview  
Worker interview

#### 2/ Objective evidence observed:

Document check,  
Management interview  
Worker interview

The facility has not established a confidential whistleblowing procedure in place.

**Local law and/or ETI/Additional Elements requirement:**

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

**Recommended corrective action:**

The facility shall establish a confidential whistleblowing procedure in place.

**Desktop review 10 Nov 2022: Closed**

Based on provided document, it was noted that the facility has established a confidential whistleblowing procedure dated 14 Oct 2022 with commitment of no retaliation to whistle-blowers, including facility employees, business partners, clients' staff.

**3. Description of non-compliance:**

☒ NC against ETI/Additional Elements ☐ NC against Local  
☐ NC against customer code:

The facility has not communicated whistleblowing procedure to all employees.

**Local law and/or ETI/Additional Elements requirement:**

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

**Recommended corrective action:**

The facility shall communicate whistleblowing procedure to all workers.

**Desktop review 10 Nov 2022: Closed**

Photo evidence showed that employees were communicated about whistleblowing procedure on 15 Oct 2022.

**3/ Objective evidence observed:**

Document check,  
Management interview  
Worker interview

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

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

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers  A1: Please give details: Factory provided internal main employees and suppliers' Business Ethic Committees for review.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: All relevant personnel (sales, accountant, purchasing.) was trained the business ethic issues annually
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The policy each year by HR department and adjusted if needed.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory sent and require signing on this topic with 3rd parties

#### Other findings

Other Findings Outside the Scope of the Code
None observed

#### Community Benefits

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*

None observed

## Appendix 1

**Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."**

☒ Not Applicable please x

## Photo Form

NC Photo

1. NC: inadequate food sampling	Nil	Nil




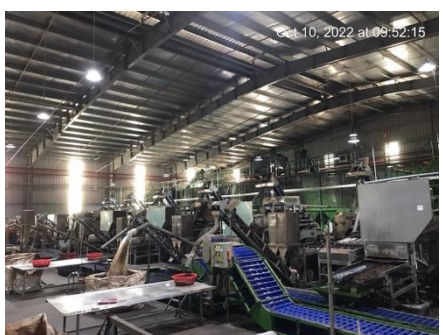

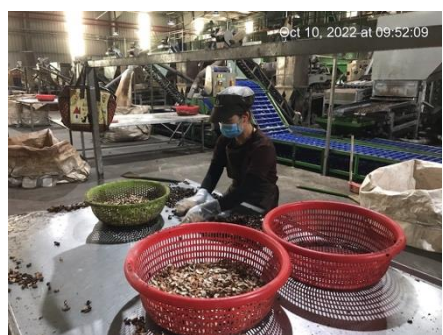
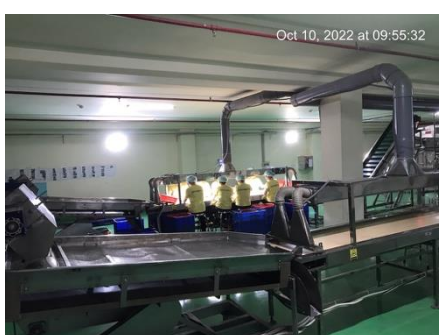


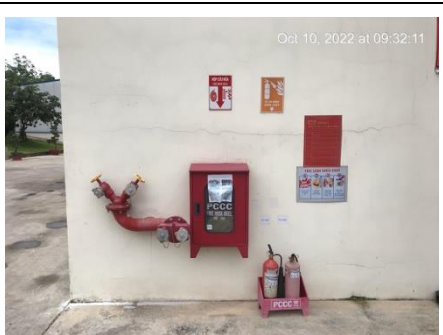
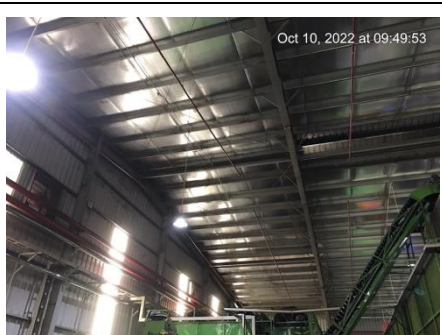

Desktop Review 10 Nov 2022:

1. NC # 1: Closed: Food samples were sealed properly	2. NC # 5: Closed Workers were communicated about whistleblowing procedure	Nil

## GE Photo

Factory name	Factory gate	Facility Overview



		
Pepper material	Pepper processing	Cashew material
		
Cashew process	Cashew process	Cashew process
		
Cashew process	Cashew process	Cashew process
		
Firefighting equipment	Sprinkler system	Emergency Exit

		
Solar enegy monitoring system	WWTP	Boilers





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

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

**[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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