




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: (only available on Sedex System)	ZC: N/A	Sedex Site Reference: (only available on Sedex System)	ZS: N/A	
Business name (Company name):	THANGLONG PLASTIC JOINT STOCK COMPANY			
Site name:	THANGLONG PLASTIC JOINT STOCK COMPANY			
Site address: (Please include full address)	Head office: No. 360, Giai Phong street, Phuong Liet ward, Thanh Xuan district, Ha Noi city  Factory: No.5. TS 5 street, Tien Son Industrial Zone , Hoan Son Commune, Tien Du District , Bac Ninh province		Country:	Vietnam
Site contact and job title:	Vu Thi Huong (Ms.)/ Director Le Trung Ngoc (Mr.)/ Vice Director Bui Minh Khoi (Mr.)/ Chairman Trade Union			
Site phone:	84 222 3710425 84 904371078	Site e-mail:	<a href="mailto:Huongvu76@gmail.com">Huongvu76@gmail.com</a>	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	November 12 <sup>th</sup> , 2019			

<b>Audit Company Name &amp; Logo:</b> SGS Vietnam Ltd 	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  <b>MAINETTI CO., LTD</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)			

## 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): NA

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

Lead auditor: Bui My Ngoc (Mr.) APSCA number: 21701509

Lead auditor: Bui My Ngoc (Mr.) APSCA status: RA21701509

Team auditor: Nguyen Thi Phuong Khanh (Ms.) APSCA number: 21703137;  
Pham Thi Thanh Lan (Ms.) Under supervision of Mr. Ngoc

Interviewers: Bui My Ngoc (Mr.) APSCA number: RA21701509  
Nguyen Thi Phuong Khanh (Ms.) APSCA number: 21703137

Report writer: Bui My Ngoc (Mr.) APSCA number: RA21701509  
Nguyen Thi Phuong Khanh (Ms.) APSCA number: 21703137

Report reviewer: Vu Duc Quang Cong (Mr.)

Date of declaration: NA

*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) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	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	Nil	
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	02	0	Obs: 1. Site had not yet conducted any risk assessment to evaluate internal policies and procedures to be effectiveness.  2. The ETI Code was not posted at workshops and communicated to workers. (ETI Code)	
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil	
2 <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil	
3 <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	4	0	0	1. Electricity boxes were not adequately protected by isolated material 2. Fire extinguishers were not inspected periodically 3. First aid kits were not fully equipped with medical items	

									4. Air compressor was noted periodically inspected
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	03	0	0	<p>NCs:</p> <ol style="list-style-type: none"> <li>1. The salaried allowances such as skill and technical allowance (VND 300,000 to 1,500,000 per month) Toxic allowance (VND 200,000 per month) and Responsibility allowance (VND 300,000 to 1,500,000) were not included in contribution to mandatory social insurance for at least 10 employees as legal requirement.</li> <li>2. At least 5 out of 10 selected samples employees was only paid 100% of basic salary for the day working on day off of public holiday (Hung Kings Commemoration Day (the 10th of March of each Lunar year) instead of 200% in April 2019 as stipulated by legal requirement.</li> <li>3. At least 02 out of 10 selected samples employee's facility did not provide social, health insurances, unemployment insurance and annual leave allowance to temporary or seasonal workers in Apr 2019.</li> </ol>



6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	01	0	0	NC: 1. At least 3 out of 10 selected sample employees were not provided one day off during 7-day-period. They worked 13 consecutive days in July 2019, for instance.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				N/A
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				N/A

#### General observations and summary of the site:

-Thang Long Plastic Joint Stock Company established on in 1994 business license no. was 0101619653 dated January 31st, 2005, issued by the Planning and Investment Services of Ha Noi city Vietnam

-Buildings were maintained in good condition and the buildings have been designed for industrial purpose. Employees were provided acceptable working conditions generally complied with legal requirement.

- The factory was specialized in processing Plastic bottles

- Total of 85 employees are currently working in the factory, there is no external worker from sub-contractor in the facility.

Positive:

- Showed cooperation to auditors and allowed auditors to access all premises, areas of the site, documents and records requested, and carry out independent worker interview.

Negative:

- Site has been still new on social compliance system with very few of such audits received. System of the site regarding social compliance was inadequate with main issue of inadequate knowledge / understanding of applicable laws and regulations, especially on occupational health and safety, wages and benefits and working hours.

- There were some non-compliance issues covering of "Management systems and code implementation, Safety and Hygienic Conditions, Living Wages, Benefits and Working Hours, the details of each issue were clearly mentioned in the body of report.

\*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:	THANG LONG PLASTIC JOINT STOCK COMPANY										
B: Site name:	THANG LONG PLASTIC JOINT STOCK COMPANY										
C: GPS location: (If available)	GPS Address:	Latitude: 21.1251123 Longitude: 105.993551,17									
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 0101619653										
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	<ul style="list-style-type: none"> <li>- Plastic bottles</li> <li>- Resin Raw Material – Injection- Inspection- Packing – Finish good warehouse.</li> </ul>										
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Thang Long Plastic Joint Stock Company established on in 1994 business license no. was 0101619653 first issue January 31st, 2005, issued by the Planning and Investment Services of Ha Noi city Vietnam. It located at No.5. TS 5 street, Tien Son Industrial Zone , Hoan Son Commune, Tien Du District , Bac Ninh province, Vietnam.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Building 1 (2-storey building)</td> <td>Was occupied for office, canteen</td> <td>Nil</td> </tr> <tr> <td>Building 2 (1-storey building)</td> <td>Was occupied for warehouse, production process</td> <td>Nil</td> </tr> </tbody> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: There was no Visible structural integrity issue observed on site.</p> <p>F3: Does the site have a structural engineer evaluation?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: Site observation indicated that the facility's workshops and buildings were in safety condition. No small or large cracks were observed.</p>		Production Building no	Description	Remark, if any	Building 1 (2-storey building)	Was occupied for office, canteen	Nil	Building 2 (1-storey building)	Was occupied for warehouse, production process	Nil
Production Building no	Description	Remark, if any									
Building 1 (2-storey building)	Was occupied for office, canteen	Nil									
Building 2 (1-storey building)	Was occupied for warehouse, production process	Nil									

G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	July – February
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Resin Raw Material – Injection- Inspection- Packing – Finish good warehouse.  Injection machine, air-compressor, mixing resin machines, etc
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (name): Grass-roots Trade Union of Thang Long Plastic Joint Company <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input 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 type="checkbox"/> No N1: If no, please give details : NA

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 08:30 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	2 Auditors x 1 day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If No, why not? Factory did not know about Sedex SAQ		
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)	Vu Thi Huong (Ms.)/ Director Le Trung Ngoc (Ms.)/Vice Director		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	NA		
J: Previous audit type:	NA		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (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	57	0	0	0	0	0	0	57
Worker numbers – female	28	0	0	0	0	0	0	28
Total	85	0	0	0	0	0	0	85
Number of Workers interviewed – male	6	0	0	0	0	0	0	6
Number of Workers interviewed – female	4	0	0	0	0	0	0	4
Total – interviewed sample size	10	0	0	0	0	0	0	10



A: Nationality of Management	Vietnamese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: <u>Vietnamese</u> B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please describe how this may vary during peak periods:
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration (management information)	D: <u>90</u> % workers on piece rate D1: <u>10</u> % hourly paid workers D2: _____% salaried workers  Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: <u>100</u> % monthly paid D6: _____% other D7: If other, please give details	



Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" 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: 4	D2: Female: 2
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details: NA	
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  If no, please give details: NA	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	There was not any complaint being noted during this audit. All workers said they were satisfied with their employment at the factory	
I: What did the workers like the most about working at this site?	Working conditions; wage and benefit.	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	In different; Some workers could accept overtime to earn more money; some other workers said they could refuse overtime and worked overtime voluntarily.	
L. Is there any worker survey information available?		



☐ Yes

☐ 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 total 10 employees randomly being selected among 85 declared 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 working conditions and management even they did not know exactly how much their monthly basic wages. 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

Selected sample employees confirmed during the interview that they were all knew about their trade union chairwoman. The trade union chairwoman was freely elected. Good comments were given toward their trade union representative.

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 Le Thi Thu Huong / Director

## 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:

- The factory has established Human right policy on 1<sup>st</sup> Jan 2019 and it is communicated to all employees.
- Base on workers interview it was confirmed that they were aware of Human right policy.
- The factory designated a person responsible for implementing standards concerning Human rights and no Human right violation was found during audit date.

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

Details:

- Human right policy
- Appointment decision
- Training record
- Workers interview

Any other comments: N/A

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: <i>Human right policy has established on 1<sup>st</sup> Jan 2019</i>
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: <i>The person responsible for implementing Human right was designated by decision no 17/QĐ-NTL-HĐQT dated 2<sup>nd</sup> Jan 2019. Name: Le Trung Ngoc Job title: Vice Director</i>
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: <i>The factory has 02 suggestion box in production floor and maintained list of hotline number.</i>
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 type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details N/A
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: <i>There were privacy procedures for workers' information.</i>

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

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

## 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: 2018 _15_ %	A2: This year _10_ %
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]	2%	
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: 2018 _20_ %	C2: This year _25_ %
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	7%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accident log are maintained	
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: 2018 Number: 0	F2: This year: 2019 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: 2018 0	H2: This year: 2019 0
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
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## 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:

- Base on document review, workers and management interview it was indicated that the ETI Code was not posted at workshops by local language and communicated to workers. The facility was appointed a person who responsible for all compliance policy such as Child labour, force labour,...

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

#### Details:

- Management interview.
- Training records.
- Worker interview.
- Site observation.
- Policy and procedure

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details:
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory has Policy on discrimination prohibit, prohibiting forced labour.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	No evidence of forced labour, discrimination or harassment and abuse case were found during audit date.
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: All employee received training in standards for forced labour, child labour, discrimination, harassment & abuse in the first day at work and annually.
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: Minutes of training and Photo Material training and list of participation with signature.
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: ISO 9001:2015, certificate number: HT715/4.8.14 the validity from 23 Oct 2018 to 22 Oct 2021 issued by QUACERT.
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: There is a HR staff, her name is Vu Thi Thuy
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 factory designated a person responsible for implementation of all policy. He is Le Trung Ngoc, position: Vice director.
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: There is a policy to ensure all worker information is confidential
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: Information confidential policy
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details:

	Document review and management interview indicated that the site had not yet conducted any risk assessment to evaluate internal policies and procedures to be effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1 Please give details: Document review and management interview indicated that the site had not yet conducted any risk assessment to evaluate internal policies and procedures to be effectiveness
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: Factory had code which require labour standard 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 Details: The land right certificate was approved on Sep 25, 2007 valid to Dec 22, 2049
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 Details: Reviewing the land rental contract, noted that the factory did follow their use of land as per the commitment on contract as well as legal requirement
P: 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 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 Details: Based on the review of Land rental contract and rental payment release indicated that rental fee had been settled down monthly.
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 Details: N/A
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: N/A

### Non-compliance:

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

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

☐ NC against Local Law

None

Local law and/or ETI requirement: NA

Recommended corrective action: NA

#### Objective evidence observed:

(where relevant please add photo numbers)

NA

### Observation:

#### 1. Description of observation:

Document review and management interview indicated that the site had not yet conducted any risk assessment to evaluate internal policies and procedures to be effectiveness.

#### Local law or ETI requirement:

In accordance with ETI Code, it requires that risk assessments shall be conducted to evaluate policy and procedure's effectiveness.

#### 2. Description of observation:

Document review, workers and management interview indicated that the ETI Code was not posted at workshops and communicated to workers. (ETI Code)

#### Local law or ETI requirement:

0.B.4 Suppliers are expected to communicate this Code to all employees.

**Comments:** Factory should communicate ETI Code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Comments: None

#### 1. Objective evidence observed:

During document review and management interview.

#### 2. Objective evidence observed:

During document review workers and management interview.

### Good Examples observed:

Description of Good Example (GE): NA

#### Objective evidence observed:

NA

## 1: Freely Chosen Employment

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

### ETI

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

- No evidence of forced, bonded or involuntary prison labour. Worker are free to legally terminate their contract without penalty and they are not required to pay deposit.
- There was no worker's original papers withheld.
- workers feel free to leave the site during breaks and rest time and at the end of their shift.
- Employment was freely chosen;
- No fee for recruitment when applying for the job at the site;
- Movement of employees at the facility was not prohibited or limited;
- Employees had free access to toilets and potable water;
- Overtimes were always performed on voluntary basis;

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

##### Details:

- Policy prohibiting forced labour, terminated procedure
- Worker interview.
- Personnel file

Any other comments: NA

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:

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:
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: <i>Worker have freedom of movement at the end of the work day.</i>
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: <i>The factory published policy and procedure on forced and trafficked labour. It was communicated to employees and managers and posted at noticeboard.</i>

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

Observation:	
<b>Description of observation:</b> NA  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> N/A	<b>Objective evidence observed:</b>  NA

Good Examples observed:	
<b>Description of Good Example (GE):</b> NA	<b>Objective evidence observed:</b>  NA

## 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:

- Trade union are chosen by worker and all workers have right to join trade unions, member of trade union are allowed time off with pay to carry out their duty.
- There is a policy on freedom of association.
- Worker grievance system is available with records.
- Dialogue and collective bargaining were conducted every 3 months, the latest dialogue was on 22 Aug 2019, worker's meeting was organized annually as legal requirement.

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

##### Details:

- Collective bargaining agreement
- Decision of Establishing Grass-rooted Trade Union
- Records and minutes for meetings
- Worker interview

Any other comments:

A: What form of worker representation/union is there on site?	<input checked="" type="checkbox"/> Union (name): Grass-roots Trade Union of Thang Long Plastic Joint Company <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 number D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: <i>Trade union members were provided a private room, supporting equipment such as telephone, computer, internet ... and allowance to perform their duty properly.</i>	
F: Name of union and union representative, if applicable:	<i>Grass-roots Trade Union of Thang Long Plastic Joint Company  Bui Minh Khoi – union president</i>	F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	N/A	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 08 Oct 2019
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: Two people	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	<i>The Trade union conducts Dialogue every 3 months and organizes Worker's meeting annually with record.</i>	
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
--	--

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

Observation:	
<b>Description of observation:</b> NA  <b>Local law or ETI requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b>  NA

Good Examples observed:	
Description of Good Example (GE): NA	<b>Objective evidence observed:</b>  NA

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

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

- Observation from factory tour, noted that the general working environment of the facility was clean and in good conditions. Ventilation and temperature were adequate for the production processes.
- Management interview and document review indicated that Vu Thi Huong (Ms.)/ General Manager was appointed to be the leader of Health and Safety teams who taking care all Health & Safety issues in the factory.
- There was toilet facility for all male & female workers installed in factory, which was complied with legal law requirement. The workers' toilets provided with clean as well as segregated for men and women.
- There was suggestion box to collect employees' suggestion.
- There was no dormitory provide for employees.
- PEEs warning signs were posted at related workplaces.
- Relevant policy and factory regulation were posted at bulletin board.
- PPEs were provided free for workers and workers worn them during working time.
- The working environment inspection was conducted on Nov 1, 2019 with the acceptable result.

##### 2. Fire Safety

- Factory had valid fire inspection certificates on Nov 2, 2018
- There were 10 firefighting members who were being provided fire safety training by local fire police on Apr 18, 2019.
- The factory conducted fire drill for all employees on Dec 17, 2018 with fire police's presenting.
- Procedure for inspecting and testing for fire-fighting equipment's was in place. The fire extinguishers were inspected internally once per month. All of them were tested regularly by service authorizer.
- There were at least 02 fire exits from each work area and these were clearly marked.
- The "No smoking" signs were posted at production and prohibited areas in factory.
- Per site observation, it was noted that all fire exits and escaped routes were adequate, unlocked and free of obstruction.
- Per site observation, auditors noted that all site buildings were maintained in good physical condition.

##### 3. Electrical safety

- The electrical equipment was maintained in good condition



- The electricity boxes were not adequately protected by isolated material as legal requirement, please refer to the Non-compliance table for detail.
- Annual machine maintenance schedule and records were reviewed it was noted that all equipment was regularly maintained as schedule.

#### 4. Medical services

- There was no medical staff working at in-house Clinic. However, factory signed the medical service support with local hospital since Jul 01, 2019 valid to Jun 30, 2020
- There were 13 persons of different production sections and shifts being trained the first aid knowledge on Mar 28, 2019 with certificates issued by local medical center.

#### 5. Health and safety training

Per document review, workers and management interview, auditors noted that the factory provided health and safety training with valid certificates as below:

- Group I: Nov 07, 2019 valid to Nov 07, 2021
- Group II: Oct 09, 2018 valid to Oct 09, 2020
- Group III: Nov 04, 2019 valid to Nov 04, 2021
- Group IV: Aug 24, 2019 valid to Aug 24, 2021
- Group VI: Oct 09, 2018 valid to Oct 09, 2020

Per document review, workers and management interview, auditors noted that the factory had 1 forklift, 2 cranes with the valid inspection certificates and the operators got the valid safety operation certificate, details of inspection as below:

- 1 forklift got the inspection certificate on Apr 06, 2019 valid to Apr 06, 2020
- 2 cranes got the inspection certificate on Apr 06, 2019 valid to Apr 06, 2020

Besides that, factory also had 1 air compressor., However, factory did not periodically inspect it as legal requirement, please refer to the Non-compliance table for detail.

#### 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 permit 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	<input checked="" type="checkbox"/> Yes
---	---

and procedures that are fit for purpose and are these communicated to workers?	<input type="checkbox"/> No Details: <i>The factory already established a Health &amp; Safety policy which was approved by top management. It was well communicated to relevant employees through orientation and posted on notice board.</i>
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: <i>Health &amp; Safety policy was briefly mentioned on worker's manual.</i>
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: <i>Document review and site observation indicated that none of any structural additions without required permit/ license was noted.</i>
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: <i>Visitors and auditors who visited the site were fully informed of H&amp;S requirements. PPE were provided for them before entering the production areas.</i>
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 Details: <i>The first aid kits were installed in workplace which were not fully equipped with medical items. Please refer to the Non-compliance table for detail.</i>
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 checked="" type="checkbox"/> No Details: - <i>There was no medical staff working at in-house Clinic. However, factory signed the medical service support with local hospital since Jul 01, 2019 valid to Jun 30, 2020</i> - <i>There were 13 persons of different production sections and shifts being trained the first aid knowledge on Mar 28, 2019 with certificates issued by local medical center.</i>
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 type="checkbox"/> No Details: <i>No transportation provide for workers.</i> N/A

H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details: No dormitory was provided for workers. N/A
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 Details: Per document review and management interview, auditors noted that factory conducted risk assessment at workplace in 2018.
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 Please describe: The factory did meet the legal requirements on environment. Annual inspection report was made and submitted to local authority.
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 Please describe: List of using chemicals were available on site.

#### Non-compliance: 4

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

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:  
Based on site observation, management interview, it was noted that the electricity boxes were not adequately protected by isolated material as legal requirement.

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

In accordance with the Law No. 28/2004/QH11 dated 03 Dec, 2004 valid 01 Jul, 2005 on Electricity by the National Assembly, Article 57. Safety in use of electricity for production

1. Organizations and individuals using electricity for production must comply with the regulations on electric safety, regulations and technical standards on electric safety must conform with Vietnamese standards.

##### Recommended corrective action:

Factory should ensure that the electricity boxes were adequately protected by isolated material as legal requirement.

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

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:  
Based on site observation, management interview, it was noted that 8/10 fire extinguishers randomly checked were not inspected periodically as legal requirement.

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

In accordance with the TCVN 7435-2: 2004 dated 29 Oct, 2004; Part 4, point 4.2.1 and point 4.3.1 requires that fire extinguishers must be checked periodically for

##### 1.Objective evidence observed:

(where relevant please add photo numbers)

Please refer photo no.1

##### 2.Objective evidence observed:

Please refer photo no.2

30 days and fire extinguishers must be checked (rechargeable) at least every 6 months to ensure the quality of foam inside the fire extinguishers.

#### Recommended corrective action:

Factory should ensure that the fire extinguishers will be inspected periodically as legal requirement.

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

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:  
Based on site observation, management interview, it was noted that 3/4 first aid kits were not fully equipped with medical items as legal requirement.

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

In accordance with the Circular 19/2016/TT-BYT dated 30 Jun 2016 valid since 15 Aug 2016; Article 6 Provisions on first aid kits

1. The first aid kits should be placed in the work area of the workers, in a visible place, easily accessible, with cross symbol.

2. The content and the number of first aid kits carried out as specified in Appendix 4 attached herewith.

Appendix 4: PROVISIONS ON BAG FIRST AID IN THE WORKPLACE

Point 1. General requirements; - The number of first aid kits suitably equipped with the number of employees as defined in section 2; - For each working ground or floor or mobile working section, must equip minimum 01 suitable first aid kit; - The first aid kits in the workplace must be equipped with a sufficient number of minimum tools needed to aid in accordance with the provisions of Section 3 (i.e. 24 - 27 items). Not used to store other irrelevant items;

#### Recommended corrective action:

Factory should ensure that the first aid kits will be fully equipped with medical items as legal requirement.

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

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:  
Based on site observation, document review and management interview, it was noted that factory did not periodically inspected 1 air compressor operating at facility as legal requirement.

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

The Labour Code of Vietnam, Version 2012 dated 18 Jun, 2012 valid since 01 May, 2013; Article 147. Technical appraisal of machines, equipment and supplies subject to strict labour safety requirements; Point 1. Machines, equipment and supplies subject to strict labour safety requirements must be appraised by a technical labour safety appraisal institution before they are put into operation and must be appraised on a periodical basis when they are in use.

#### Recommended corrective action:

Factory should ensure that the air compressor will be periodically inspected as legal requirement.

#### 3.Objective evidence observed:

Please refer photo no.3

#### 4.Objective evidence observed:

Management interview & Document review

Observation:

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

- There was no child labour found in the factory during audit date, the youngest people was born on 1<sup>st</sup> Aug 2000 (19 years old).
- All age documentation are maintained on file to verify age of workers.
- The factory had established child labour policy and there is a procedure for checking age of worker during hiring.

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

Details:

- 
- Personnel file
- Policy and procedure
- List of employees

Any other comments: NA

A: Legal age of employment:	15 years old
B: Age of youngest worker found:	19 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

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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  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  NA

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

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



## 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:

- In 2018: The legal minimum wage applied for this site was VND 3,530,000 per month since January 1, 2018. Meanwhile, factory applied basic salary of VND 3,980,000 per month for all workers since Jan 1, 2018.
- In 2019: The legal minimum wage applied for this site was VND 3,710,000 per month in 2019 per month since January 1, 2019. Meanwhile, factory applied basic salary of VND 4,180,000 per month for skilled workers since Jan 1, 2018.
- The factory applied piece rate salary to production employees. The salary calculation cycle was from 1st to 30th or 31st of month and salary was paid in full on the 15th of following month by cash for new workers and bank-transferring for other employees.
- Wage slip was provided to workers at each pay period.
- Only the legal insurances as social, health insurances and un-employment insurance were deducted in compliant with local laws.
- No inconsistencies were noted during this audit.
- There were total 03 findings being found not in line with the requirements of ETI code "Living Wages are Paid. Please find the non-compliance table below.

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

##### Details:

- Payrolls and time records of the most recent 12 months (from October 2018 to September 2019) were provided for review.
- Payslip was provided for employees during the pay period.
- Production record, security logbook...
- Worker interview
- Wage scale established and submitted to authority department.

Any other comments: None

### Non-compliance:

### 1. Description of non-compliance:

☐ NC against ETI ☒ NC against Local Law ☐ NC against customer code:  
Based on payrolls and time records review of 10 sample workers in Sep 2019, Apr 2019 and Feb 2019, as well as interview with worker and management, auditors noted that salaried allowances such as skill and technical allowance (VND 300,000 to 1,500,000 per month) Toxic allowance (VND 200,000 per month) and Responsibility allowance (VND 300,000 to 1,500,000) were not included in contribution to mandatory social insurance for at least 10 employees as legal requirement.

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

In accordance with the Circular 59/2015/TT-BLDTBXH, dated 29 Dec 2015 Article 30. Monthly salary paid for compulsory social insurance; The monthly salary paid for compulsory social insurance for the employees who pay the social insurance under the salary system decided by the employers is stipulated as follows:  
From 01/01/2016 to 31/12/2017, the monthly salary paid for the social insurance is the salary rate and salary allowances as stipulated in Clause 1 and Point a, Clause 2, Article 4 of Circular No. 47/2015/TT-BLDTBXH dated 16/11/2015 of the Ministry of Labour – Invalids and Social Affairs guiding the implementation of some articles on labour contract, labour discipline and material responsibility of Decree No. 05/2015/ND-CP dated 12/01/2015 of the Government detailing and guiding the implementation of some contents of the Labour Code (referred to as Circular No. 47/2015/TT-BLDTBXH). The salary allowances specified under Point a, Clause 2, Article 4 of Circular No. 47/2015/TT-BLDTBXH are the ones to offset the factors of working conditions, the complexity of work, activity conditions, level of labour attraction for which the agreed salary in labour contract is not calculated or incompletely calculated such as allowances of position, title, responsibility, heaviness, hazardousness, dangerousness, seniority, region, mobility, attraction and the like

According to Circular No. 47 / 2015 / TT-MOLISA November 16, 2015 Article 4. Wage, other regimes and welfares stated in a labour contract ; 2. Wage allowances, which are the wage allowances agreed by the two parties, specifically as follows: a/ Wage allowances used to compensate for poor working conditions, complexity of jobs, low living standards or labour attraction which are neither included nor fully included in the wage level agreed upon in the labour contract; b/ Wage allowances related to the employee's process of job performance and results of job performance

#### Recommended corrective action:

Factory should ensure skill or technical, toxic responsibility allowance mandatory social insurance contribution for employees to be compliance with legal requirement

### 2. Description of non-compliance:

☐ NC against ETI ☒ NC against Local Law ☐ NC against customer code:  
Per review time records of Sep 2019 (10 samples), July 2019 (10 samples) and April 2018 (10 samples) workers and management interview, auditors noted that at least 5 out of 10 selected samples employees was only paid 100% of basic salary for the day working on day off of public holiday (Hung Kings Commemoration Day (the 10th of March of each Lunar year) instead of 200% in April 2019 as stipulated by legal requirement.

### 1.Objective evidence observed:

(where relevant please add photo numbers)

Document review, workers interview and management confirmed

### 2.Objective evidence observed:

Document review, workers and management confirmation

**Remark:** Factory had paid 100% of basic salary only for working on weekly holiday for all employees instead of 200% as law requirements (Workers had worked on 15/4/2019 not paid salary as legal requirement).

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

According Decree No. 05/2015/NĐ-CP date Jan 12, 2015; Article 25. Overtime and nightshift salary

1. The employee paid for their overtime work in accordance with clause 1 of Article 97 of the Labour Code shall be prescribed as follows:

a) Employees paid time-based salary shall be paid for their overtime work if their working hours exceed normal working hours defined by the employers in accordance with the provisions in Article 104 of the Labour Code;

b) Employees paid product-based salary shall be paid for their overtime work if they work overtime to increase the product quantity, volume and their overtime work helps to increase product quantity and volume, work according to requirements agreed with employers.

2. Overtime salary defined in clause 1 of this Article shall be calculated according to the salary unit price or actual salary paid on the basis of the current job as follows: a) On weekdays, minimum payment equals 150%;

b) On the weekly days-off minimum payment equals 200%;

c) On public holidays, paid days-off, minimum payment equals 300%, which is not included in public holiday pays, paid leave pays under the provisions of the Labour Code with respect to employees paid daily salary.

3. If employees work at night under clause 2 of Article 97 of the Labour Code, they shall be paid at least 30% of the salary calculated in salary unit price or actual salary paid for the work of normal working days.

4. If employees work overnight under clause 3 of Article 97 of the Labour Code, they shall be paid an additional 20% of salary calculated by salary unit price or actual salary paid by the work done on the day of the normal working day or the weekly rest days or holidays.

5. Employees who work overtime on holidays falling on the weekly days-off as prescribed in Article 110 of the Labour Code shall be paid overtime salary. Employees who work overtime on compensation days off for the holidays falling on a weekly rest -days under the provisions of clause 3 of Article 115 of the Labour Code shall be paid overtime salary on weekly rest days.

6. Salary paid to workers for overtime work, night work as prescribed in Clauses 2, 3, 4 and 5 of this Article shall be calculated in proportion to the form of payment specified in Article 22 of this Decree

**Recommended corrective action:**

Factory shall be pay all employees overtime salary on weekly rest days according to the legal requirement.

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

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

Based on the review of payrolls & time records (10 selected sample employees Sep 2019, Jul 2019 and Apr 2019 as well as management & employee interview indicated that at least 02 out of 10 selected samples employee's facility did not provide social, health insurances, unemployment insurance and annual leave allowance to temporary or seasonal workers in Apr 2019

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

In accordance with the Labour Code of Vietnam, Article 186: Participation in social insurance and health insurance

**3.Objective evidence observed:**

Document review, workers and management confirmation

1. Employers and employees shall participate in compulsory social insurance, compulsory health insurance and unemployment insurance and are entitled to the benefits in accordance with the social insurance and health insurance laws. Employers and employees are encouraged to participate in other different forms of social insurance for employees.

2. When an employee is absent from work and covered by social insurance, the employer is not required to pay a wage to the employee.

3. For an employee who is not covered by compulsory social insurance, compulsory health insurance and unemployment insurance, the employer shall simultaneously pay to the employee a wage and an amount which is equivalent to the level of contribution to compulsory social insurance, compulsory health insurance and unemployment insurance, and annual leave payments in accordance with regulations.

**Recommended corrective action:**

Factory shall ensure that all seasonal/ temporary employees shall be covered with social, health insurances and annual leave allowance.

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

**Local law or ETI requirement:** NA

**Comments:** NA

**Objective evidence observed:**

NA

**Good Examples observed:**

Description of Good Example (GE): None

**Objective Evidence Observed:**  
NA

**Summary Information**

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours/day, 48 hours/week	A1: 8 hours/day, 48 hours/week	A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 8 hours/day, 30 hours/month	B1: 0 hours/day, 0 hours/month	B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours:	Legal minimum: 2018: VND	C1:	C2: <input checked="" type="checkbox"/> Yes

(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	3,530,000  2019: VND 3,710,000	2018: VND 3,980,000  2019: VND 4,180,000	<input type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Weekday: 150% Rest-day: 200% Holiday: 300%	D1: Weekday: 150% Rest-day: 200% Holiday: 300% Refer body NC	D2: <input type="checkbox"/> Yes <input checked="" 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 Sep 2019, Jul 2019, Apr 2019
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If <b>Yes</b> , please give details: Region 1: 4,180,000VND per month
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 checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc.
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___40___% of workforce earning minimum wage F3: ___60___% 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.

	Meal allowance: VND 700,000 per month; Living allowance (VND 120,000 per day, skill and technical allowance (VND 300,000 to 1,500,000 per month) Toxic allowance (VND 200,000 per month) and Responsibility allowance (VND 300,000 to 1,500,000) and Transportation allowance: VND 100,000 per month.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance: 8% Health insurance: 1.5 % Unemployed insurance 1% Trade union fee 1%		
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.	Please describe: 1. Social insurance: 8% 2. Health insurance: 1.5 % 3. Unemployed insurance 1% 4. Trade union fee 1%
		I2: Please list all deductions that <b>have not</b> been made.	1. 2.  Please describe: NA
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: NA		
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:		



<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  N1: Please give details: <i>There was periodic reviews of wage and based on the law requirement factory will review wage for all employees (annually).</i></p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  P1: Please give details:</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash  <input type="checkbox"/> Cheque  <input 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 not exceed hours specified by national and local laws.
- Employees have one day of each week on Sunday and they have right to refuse overtime.
- The factory used finger printing system, attendance record showed in and out time for every day.
- Factory applies 3 working shift with 60 minutes break time for each shift:
- Shift 1: From 6:00 to 14:00
- Shift 2: From 14:00 to 22:00
- Shift 3: From 22:00 to 6:00
- Female workers who were over seventh month of pregnancy and who are nursing children under 12 months of age were provided 1 hour off per day.

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



## Details:

- Worker and management interview
- Attendance record
- Procedure and policy
- Labour contract
- Security records
- Production records

Any other comments:

## Non-compliance:

## 1. Description of non-compliance:

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

Based on the review of document (payrolls & time records of 10 samples employees in September 2019, July 2019 and Apr 2019) as well as management & employee interview, it was noted that total working hours per week of at least 3 out of 10 selected sample employees were not provided one day off during 7-day-period. They worked 13 consecutive days in July 2019, for instance.

## Local law and/or ETI requirement:

In accordance with the Labour Code of Vietnam, Version 2012, Article 110:

1. Every week, an employee is entitled to a break of at least 24 consecutive hours. In case it is impossible for an employee to have a weekly break due to the cycle of work, the employer shall ensure the employee have at least 4 days off on average in a month.

2. An employer may determine and schedule weekly breaks either on Sunday or another fixed weekday and shall include them in the internal working regulations.

According to ETI code: 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.

## Recommended corrective action:

Factory shall ensure employees to be provided with at least one day off per 7-day-period.

## 1.Objective evidence observed:

(where relevant please add photo numbers)

Document review, workers and management interview.

## Observation:

Description of observation: None

Local law or ETI requirement: NA

Comments: NA

## Objective evidence observed:

None

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

<b>Working hours' analysis</b> Please include time e.g. hour/week/month <a href="#">(Go back to Key information)</a>			
<b>Systems &amp; Processes</b>			
A. What timekeeping systems are used: time card etc.	Describe: Finger printing system		
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details		
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	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

	<input type="checkbox"/> No If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
	Base on attendance record review it was found that at least 3 out of 10 selected sample employees worked 13 consecutive days in July 2019.	
<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:
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:
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 12 hours per week	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Worker worked 48 normal working hours plus maximum 12 overtime hour per week	
K: Approximate percentage of total workers on highest overtime hours:	___12___%	
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: Worker interview Collective bargaining agreement
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input type="checkbox"/> Yes <input checked="" 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: Base on payroll and time record review it was found that at least 5 out of 10 selected samples employees was only paid 100% of basic salary for the day working on day off of public holiday (Hung Kings Commemoration Day (the 10th

		of March of each Lunar year) instead of 200% in April 2019 as stipulated by legal requirement.
N: Is overtime paid at a premium?	<input type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	Nil	
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:	
	N/A	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:	
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:

- No discrimination in hiring, compensation, ...was found in the audit date
- The factory has published discrimination prohibiting policy and it's communicated for workers.
- 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 seniority 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:

- Recruitment documents
- payrolls and time records
- discrimination prohibiting policy

Any other comments: None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>60</u> % A2: Female <u>40</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:	45%
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found  C1: Please give details: N/A

### Professional Development

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

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

#### Objective evidence observed:

(where relevant please add photo numbers)

NA

### Observation:

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

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

None

Local law and/or ETI requirement: NA

Recommended corrective action: NA

Comments: NA

#### Objective evidence observed:

NA

### Good Examples observed:

Description of Good Example (GE): NA

#### Objective Evidence Observed:

NA

## 8: Regular Employment Is Provided

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

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

### ETI

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

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

### Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current systems:

- All workers are provided labour contract at the first day of work, labour contract contain basic salary, working time and right of worker.
- Labour contract made by worker's native language and it's clearly explained for workers
- 10 selected workers in September 2019, July 2019 and Apr 2019 signed labour contract and kept once as Law requirement
- There was related document available for review.

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

#### Details:

- Labour contract
- Worker interview

Any other comments: NA

## 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  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA  <b>2. 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: NA  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  NA
--	---

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

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

## 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 work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details:
D: If any checked, give details:	NA

<b>Migrant Workers: N/A</b> <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	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: NA
D: Are Any migrant workers in skilled, technical, or management roles  <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No  D1: If yes, number and example of roles: NA	

## NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No There was no recruitment fee being applied at factory based on document review and interview workers
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other  B1 – If other, please give details: NA
C: If any checked, give details:	NA

Agency Workers (if applicable): N/A	
(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	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: NA
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: NA

<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, labour 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: NA
B: If <b>Yes</b> , how many workers supplied by contractors?	NA
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	NA

### 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:

Base on document check, workers and management interview it was confirmed that factory 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		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

**Non-compliance:**

<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: NA  <b>Local law and/or ETI /Additional Elements requirement:</b> NA  <b>Recommended corrective action:</b> NA  <b>2. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: NA  <b>Local law and/or ETI requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  NA
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Observation:	
<b>Description of observation:</b> NA  <b>Local law or ETI/Additional elements requirement:</b> NA  <b>Comments:</b> NA	<b>Objective evidence observed:</b>  NA

Good Examples observed:	
Description of Good Example (GE): NA	<b>Objective Evidence Observed:</b>  NA

Summary of sub-contracting – if applicable <input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: NA There was no sub-contractor used at factory and factory's representative confirmed and interview workers.
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: There was no home-working used at factory and factory's representative confirmed and interview workers.		
B: Number of homeworkers	B1: Male: NA	B2: Female: NA	Total: NA
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents: NA  NA
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?	NA		
F: What processes are carried out by homeworkers?	NA		
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No  G1: Please give details: NA		
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: <i>Suggestion box, Hotline number</i>
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	<i>Suggestion box were quipped at the production floor and easily accessible for workers</i> <i>List of hotline number was posted in production area</i>
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	<i>Suggestion box: 02 pcs</i> <i>Hotline number: 09</i>
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: <i>Suggestion box</i>
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 checked="" 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)?

☐ Yes  
☒ No

II: If yes, please give details

### Current Systems and Evidence Examined

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

#### Current systems:

According to document check, the facility has discipline rules are in compliance with local law and communicated to all workers. All disciplinary actions are recorded. Grievance channels were provided for worker to report harsh treatment.

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

Details:

- Disciplinary practice records
- Workers and Trade union interview
- Discipline rules
- Collective labour agreements

Any other comments: NA

### Non-compliance:

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

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

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

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

#### Objective evidence observed:

(where relevant please add photo numbers)

NA



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

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

## 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,... to check.

#### 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

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

Recommended corrective action: NA

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

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

None

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

#### Objective evidence observed:

(where relevant please add photo numbers)

NA

**Recommended corrective action:** NA

**Observation:**

**Description of observation:** None

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

**Comments:** NA

**Objective evidence observed:**

NA

**Good examples observed:**

**Description of Good Example (GE):** None

**Objective Evidence Observed:**

NA

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

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

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

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

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

## Current Systems and Evidence Examined

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

### Current systems:

Communication records noted that client's environment requirement was communicated and well aware by the factory. Environment protection policy was signed by TOP management and communicated to all employees. Vu Thu Huong (Ms.)/ General Manager was appointed to monitor environment issued at facility. Environment awareness training was provided to all employees on annuals basic. Hazardous wastes and normal wastes were stored in separated area and marked identified label. There was no kind of substantial pollution observed throughout the factory. Environment impact factors (waste water and air emission) was analysed periodically.

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

Details: Satisfactory evidence collected through site observation, document review & employee interview indicated that:

- Environmental impact assessment was approved by functional authority on Sep 15, 2010.
- The factory had hazardous waste owner registration on Jan 19, 2009.
- The hazardous waste was collected, treated monthly by competent contractor company with adequate licenses as law requirement, the contract was signed Jan 02, 2019 valid to Jan 02, 2020.
- Industrial waste and living waste were stored in separated area and treated by functional company with adequate record for review.
- Environmental monitoring report was conducted as legal requirement and the latest times was on Sep 25, 2019 with the testing result were met local standard.
- Observation from factory tour, noted that the general working environment of the facilities was clean and in good conditions.
- Observation from factory tour, noted that there was no kind of substantial pollution observed throughout the factory during audit day.

Any other comments: None

## Non-compliance:

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

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

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

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

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

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

### B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

### B4. Guidance for Observations

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

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

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

## Current Systems and Evidence Examined

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

### Current systems:

Not audited

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

Details: NA

Any other comments: None

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code: NA  <b>Local law and/or ETI/Additional Elements requirement:</b> NA  <b>Recommended corrective action:</b> NA  <b>2. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code: NA  <b>Local law and/or ETI/Additional elements requirement:</b> NA  <b>Recommended corrective action:</b> NA	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  NA

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

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

<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):	NA
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: NA
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: NA
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:
H: Have all legally required permits been shown? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:



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 type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: NA	
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 N1: Please give details: NA	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: NA _____	Current Year: Please state period: _____
Electricity Usage: Kw/hrs		
Renewable Energy Usage: Kw/hrs		
Gas Usage: Kw/hrs		
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If <b>Yes</b> , please state result		
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Water Volume Used: (m <sup>3</sup> )		
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Water Volume Discharged: (m <sup>3</sup> )		
Water Volume Recycled: (m <sup>3</sup> )		
Total waste Produced (please state units)		
Total hazardous waste Produced: (please state units)		
Waste to Recycling:		

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

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

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

To be completed for a 4-Pillar SMETA Audit

#### 10C. Compliance Requirements

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

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

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

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

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

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

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

#### 10C. Guidance for Observations

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

Not audited

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

Details: NA

Any other comments: NA

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code:  None  <b>Local law and/or ETI/Additional Elements requirement: NA</b>  <b>Recommended corrective action: NA</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>  <b>NA</b>
<b>2. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code:  None  <b>Local law and/or ETI/Additional elements requirement: NA</b>  <b>Recommended corrective action: NA</b>	

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

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

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

Other findings

Other Findings Outside the Scope of the Code
Nil

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
Nil

## Appendix 1

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

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<b>ETI 1. Forced Labour</b>	<b>ETI 1. Forced Labour</b>
<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>	
<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>	<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<b>ETI 3. Working conditions are safe and hygienic</b>	<b>ETI 3. Working conditions are safe and hygienic</b>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	



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

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

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

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

### 10C. Compliance Requirements

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

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

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

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

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

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

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

### 10C. Guidance for Observations

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

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



## Photo Form

<p>1. NC1: Electricity boxes were not adequately protected by isolated material</p>	<p>2. NC 2: Fire extinguishers were not inspected periodically</p>	<p>3. NC 3: First aid kits were not fully equipped with medical items</p>
<p>4. Factory name</p>	<p>5. Factory main gate</p>	<p>6. Factory overview</p>
<p>7. Material warehouse</p>	<p>8. Production process</p>	<p>9. Production process</p>

<p>10. Packing</p>	<p>11. Finished Goods Warehouse</p>	<p>12. Fire alarm center control panel</p>
<p>13. Manual fire alarm button</p>	<p>14. Smoke Detectors</p>	<p>15. Fire-fighting Equipment</p>
<p>16. Fire-fighting Equipment</p>	<p>17. Evacuation map</p>	<p>18. Emergency &amp; exit light</p>
<p>19. Emergency exit door</p>	<p>20. Chemical warehouse</p>	<p>21. MSDS information board</p>



		
22. Eyewash stations	23. Finger print machine	24. Suggestion box
		
25. Bulletin board	26. Canteen area	27. Drinking water area
		
28. Toilet facility	29. Hazardous waste area	30. Fire water pump station





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

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

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