



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000028286	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000032838	
Business name (Company name):	Nguyen Duy Trading Producing Company Limited - Hoang Huu Nam Branch			
Site name:	Nguyen Duy Trading Producing Company Limited - Hoang Huu Nam Branch			
Site address:	480/6, alley 480 Hoang Huu Nam street, Long Binh ward, district 9, Ho Chi Minh City Ho Chi Minh 700000 VN	Country:	VN	
Site contact and job title:	Nguyen Thi Phuong Dung / Director Assistant			
Site phone:	0902691314	Site e-mail:	wilsonbond00@gmail.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-04-22			

Audit Company Name:
Eurofins Southeast Asia

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

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Dat Dang	APSCA Number:	21705423
Additional Auditors:	Hai Le Quang		21701062
Date of declaration:	2024-04-22		

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

Site Representation	
Full Name:	Nguyen Thi Phuong Dung
Title:	Director Assistant
Date of declaration:	2024-04-22
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§1 §2 §3	3	0	0	NC - ZAF600442364 NC - ZAF600442365 NC - ZAF600442366
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive			0	0	0	
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar	10.C.7		1	0	0	NC - ZAF600442367

Local Law Issues

Issue	Description
§1	In accordance with Article 3, Decree No. 14/2014/ND-CP of the Government: All electricity design, equipment manufacturing and installation of the electrical works shall ensure the electricity safety, construction safety, energy safety, fire safety and all environment protection requirements.
§2	In accordance with Article 21 point 4 of law on chemical No. 06/2007/QH12 dated on November 21st, 2007 of the XII National Assembly, production or business organizations and individuals that store or preserve hazardous chemicals must adopt chemical incident prevention and response measures or plans.
§3	In accordance with Article 23 of Law on occupational safety and hygiene (Law No. 84/2015/QH13) dated on June 25, 2015 on Personal protective equipment, 1. Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work.

Site Details

Site Details			
Company Name	Nguyen Duy Trading Producing Company Limited - Hoang Huu Nam Branch		
Site Name	Nguyen Duy Trading Producing Company Limited - Hoang Huu Nam Branch		
GPS location (if available)	GPS Address:	480/6, Alley 480 Hoang Huu Nam Street, Long Binh Ward, District 9, Ho Chi Minh City, Vietnam	
	Coordinates:	10.87193, 106.81478	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No. 0309344366-002 issued by Investment and Planning department of Ho Chi Minh City on October 3, 2014 and no expired date.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of knitted sweater with main production processes are listed as follows: Spinning, knitting, linking, washing, drying, ironing, inspection, packing and storage		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The facility has started its operation at the existing location since 2014. In view of the facility, with a total land area of 1,200 square meters and compose of 1 main building. - Building # 1 (1-storey with mezzanine building): Knitting, linking, washing, drying, ironing, inspection, packing and storage on first floor and office on mezzanine. All buildings were made of concrete and steels.		
Structure and number of buildings	Building Name:		Building #1
	Floor	Description	Remark
	1	Spinning, knitting, linking, washing, drying, ironing, inspection, packing and storage	Nil
	2	Office	Nil
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No visible structural integrity issues observed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility obtained Building structure safety certificate.		
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		

Months of peak season	
Process overview	The main products manufactured by the facility are knitted sweater. The main production processes are listed as follows: Spinning, knitting, linking, washing, drying, ironing, inspection, packing and storage. The main machines used in the production area are: knitting machine, linking machine, ironing machine, metal detector, washing machine, drying machine, air compressor and electric boiler.
What form of worker representation is there on site?	<input checked="" type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Trade Union of NGUYEN DUY TRADING PRODUCING COMPANY LIMITED
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility did not provide dormitory for workers and management.

Audit Parameters		
Time in and time out	Day 1	
	In	08:15
	Out	16:00
Audit type:	FULL_INITIAL	
Was the audit announced?	SEMI_ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Nguyen Thi Phuong Dung / Director Assistant	
Is further information available	No	

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	No	Yes
B: Present at the audit?	Yes	No	Yes
C: Present at the closing meeting?	Yes	No	Yes
<i>Reason for absence at the opening meeting</i>	There is no worker representative in the facility.		
<i>Reason for absence during the audit</i>	There is no worker representative in the facility.		
<i>Reason for absence at the closing meeting</i>	There is no worker representative in the facility.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	8	0	0	0	0	0	0	8
Worker numbers - female	40	0	0	0	0	0	0	40
Total	48	0	0	0	0	0	0	48
Number of Workers interviewed - male	3	0	0	0	0	0	0	3
Number of Workers interviewed - female	7	0	0	0	0	0	0	7
Total - interviewed sample size	10	0	0	0	0	0	0	10

Nationalities Structure	
Nationality of Management	Vietnamese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Vietnamese approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no peak season in last 12 months
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 0%
	Salaried: 100%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: Not applicable

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 2 Female: 4
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None
What did the workers like the most about working at this site?	Wages are always paid on time. The working environment was comfortable.
Any additional comment(s) regarding interviews:	Most workers enjoyed working at this facility, they felt they had sufficient wage and had a good relationship with management in general.
Attitude of workers to hours worked:	Interviewed workers satisfied with the working hours
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
Based on the workers' interviews, it was noted that all workers said they are satisfied with the benefits and compensation of the facility. There was no negative information coming from workers.
Attitude of worker's committee/union reps:
The Trade Union was cooperative and supportive during the audit. Based on the interview with the Trade Union chairwoman, association activities were support by the facility management.
Attitude of managers:
The facility management showed a cooperative and supportive attitude during the audit. Auditors were allowed to conduct the facility tour at all places in the facility. All document requested were provided on time. At the closing meeting, all findings were accepted by the facility management.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The facility has a human right policy and it was posted at the bulletin board.
- Based on document review, Director Assistant is responsible for monitoring the implementation of Human right in the facility.
- Workers are communicated on the human right on the orientation training and on the annual basis.
- The facility has a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
- Based on interviewed workers, all of workers were aware of human right.

Evidence examined:

- Human right policy
- Training record
- Employee interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were policies that expresses commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in workers' manuals.
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: The facility assigned Director Assistant who is responsible for implementing standards concerning Human Rights.

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was data privacy procedure for workers' information. All workers' private information such as personal identity information managed by HR. Without permission, nobody can review.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 10.0%
	This year 8.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 0.0%
	This year 0.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	0.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accident was recorded by HR Department.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0%
	This year 0.0%

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

OB - Management Systems and code Implementation
[Summary of Findings]

OB: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The facility has systems for delivering compliance to this Code.
- The facility has legally business licenses and permission to operate.
- Based on document review, Director Assistant is responsible for monitoring the implementation of ETI Code in the facility.
- The facility communicated ETI code of conduct to all employees.
- The facility communicated ETI code of conduct to their suppliers.

Evidence examined:

- Labor regulation is posted at the bulletin board.
- Assignment letter, social compliance policies and procedures, training document and records.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There were no fines / prosecutions against the facility in past 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility established the policy on social responsibility include the policy on forced labor, child labor, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	There was no child labor in the facility. During document review, worker interview and facility tour, it was noted that youngest workers was 18 years old. There was no reported case of forced labor, discrimination, harassment & abuse.
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 Please give details: Terms of forced labor, child labor, discrimination, harassment & abuse were trained to all managers and workers.

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>During interview with workers and management representative, it was noted that the managers and workers understood the terms of forced labor, child labor, discrimination, harassment & abuse. Training record was kept and provided for review.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility does not have any internationally recognized system certification.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The HR Department is in charged on recruitment, monitoring of working hours, termination process, health & safety and environment.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Director Assistant was assigned to implement the Code.</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The policy established to ensure all workers information was confidential.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The procedure was established to ensure confidential information was kept. All workers' private information such as personal identity information managed by HR. Without permission, nobody can review.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The risk assessments were conducted to evaluate policy and procedure effectiveness on March 9, 2024.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility has a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had a policy which requires labour standards of its own suppliers.</p>
<p>Land Rights</p>	

<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had all required land rights licenses and permissions.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had a written policy and procedures specific to land rights.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Land-use permit was issued by local authority.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had already considered alternatives to avoid adverse impacts to land rights. Land-use permit was issued by local authority.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No illegal appropriation of land for facility building or expansion of footprint.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- The facility has a policy which prohibits forced labor and this was available for review.
- There was a non-formalized application procedure which states that workers must present their ID's for proof of age during the job interview and only copies must be kept in the personnel files and the original given back to the workers.
- No prison labor or forced labor is noted during the audit.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- All the management staff and security guards are given respective job descriptions which clearly stated their daily duties in compliance with the general concepts of the local laws.
- All 10 selected workers confirmed that they worked at the facility voluntarily and no enforcement to work overtime and the overtime forms are signed by workers before overtime performance.
- Employee's salaries are paid on 10th of every month by cash. During the employment, the facility did not deduct or withhold any money from the employee's monthly salary. No deposit is required upon hiring.

Evidence examined:

- Personnel files
- Resignation records
- Factory rules
- Management and worker interview
- Contracts for security guards
- Recruitment policy and announcement

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There are no restrictions, worker can terminate the employment by giving notice period as per agreed terms.

<p>If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The business is not UK based and a turnover is not over £36m.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There are no restrictions after end of work day.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The facility understood the risks of forced / trafficked / bonded labour in its supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had recruitment procedure to reduce the risk of forced / trafficked labour.</p>

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The Labour Union Committee with 3 members who are representatives from different sections was voted on November 16, 2023.
- Based on workers' interviews, all workers acknowledged that they were free to join Labour Union Committee and other legal associations.
- All activities related to Labour Union Committee such as employee meeting were respected by facility management.
- Collective Bargaining Agreement (CBA) was established and registered to local authority on March 25, 2024. The CBA contents were thoroughly discussed amongst workers, labour representative, and facility management before approving and registering to the local authority. This CBA was communicated to all workers through notice board and training.

Evidence examined:

- Minutes of the works committee meeting
- Site policy on freedom of association
- Interview with workers
- Interview with worker's committee

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input checked="" type="checkbox"/> Union <input type="checkbox"/> Other	<input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Trade Union of NGUYEN DUY TRADING PRODUCING COMPANY LIMITED	
Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box, verbal exchange and Trade Union discussion	
Is there evidence of free elections?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility supported the Union to conduct related business.
Name of union and union representative, if applicable:	Trade Union of NGUYEN DUY TRADING PRODUCING COMPANY LIMITED / Ms. Nguyen Thi Huong - Trade Union Chairwoman
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	No worker committee in the facility.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers knew Trade Union Chairman
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-11-16
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The Union would hold the meeting quarterly within at least 90 minutes per time and the latest was on March 8, 2024. The meeting minutes was posted at the bulletin board for all workers to read. The meeting report was provided for review. The union fee will be deducted from monthly workers' salary with their agreement. The facility would also pay a certain amount to the Union activity quarterly. The Union representatives are requested to involve and join all meetings related to workers' benefits/ wage and disciplinary action. The last record was provided for review.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, what percentage by trade Union/worker representation	100% workers covered by Union CBA. 0% workers covered by worker rep CBA.
If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:


- The general housekeeping is clean and tidy. The internal cleaning team is in-charge of cleaning and hygiene of whole workshop building.
- The toilet facility was separated for male and female and equipped with clean water and soap.
- Drinking water was tested every six months. The latest was conducted on November 20, 2023.
- Working condition inspection was conducted on March 18, 2024 with acceptable result.
- The fire extinguishers, fire hose and sprinkler system were installed in the facility.
- Emergency lights and exit signs were installed adequately above exit doors.
- Warning signs of "No smoking" were posted in the facility.
- Based on the facility tour, evacuation maps were posted at all sections.
- The firefighting and prevention project was approved by the local firefighting police on March 27, 2023.
- The fire drill was conducted for all workers annually. The latest was conducted on December 15, 2023.
- The fire fighting team with 16 members were trained and got certificate on fire fighting skill on November 19-20, 2022 and still valid.
- Facility had already bought compulsory fire and explosive insurances for its building, equipment, machines, materials, and others issued on December 27, 2023 and valid to December 27, 2024.
- One air compressor and one boiler was inspected by local authority and valid until May 16, 2025.
- Electric system was checked month with record.
- First aid kit was equipped at workshops with 27 items as law requirement.
- The facility also signed contract to local hospital to take care health of employees in emergency cases.
- The first aid team with 4 members were trained on first aid skills on March 22, 2024.
- The annual health check was provided to all employees and the latest was on March 29, 2024.
- All machines were installed with safety guards.
- As noted from document review and facility tour, maintenance plans and maintenance records of all machines are available for review.
- PPEs were provided free of charge for all workers.
- MSDS for chemical was posted at chemical storage and washing section.
- Eye wash station was equipped at chemical storage and washing section.


Evidence examined:


<ul style="list-style-type: none"> -Health and safety procedures, instructions and training records. -Medical logbook and accident records, medical check-up records. -Firefighting and prevention project, fire drill and firefighting training records. -Drinking water test records. -Maintenance plan and records for machines, firefighting equipment, electricity. -Chemical handling, storage procedures -Machine inspection certificates. -Health and safety policy -Health and safety manual -Health and safety committee minutes -Training records and certificates -Fire equipment maintenance records -Fire drill records -Building structure safety certificate -Trained first aider register -Interviews with workers and H&S committee members -Accident reports -Potable water testing certificates -Interviews with H&S manager
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The general Health & Safety and occupational Health & Safety policy was established and communicated to workers.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies were included in workers' manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no structural addition without required permits/inspections.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All visitors were required to wear provided PPE during facility tour.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility signed contract to local hospital to support in emergency cases.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were 4 certified first aid responders.

<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: The facility did not provide worker transport.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Not applicable. The facility did not provide dormitory for workers.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility has conducted the risk assessment regularly. The last assessment was on March 9, 2024 and it was available for review.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility has obtained the environment protection commitment approved by local authority.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility does not use any banned chemicals.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600442364	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	223 - Systemic occurrence of incorrect / damaged insulation in electricals including burnt / damaged wiring and plugs	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
Local law issue	In accordance with Article 3, Decree No. 14/2014/ND-CP of the Government: All electricity design, equipment manufacturing and installation of the electrical works shall ensure the electricity safety, construction safety, energy safety, fire safety and all environment protection requirements.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted from facility tour that 1 out of 4 observed electrical panels at washing section did not have safety cover.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that all electrical panels should be equipped safety covers.	
		 NC photo_No safety cover for electrical panel.JPG

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600442365	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
Local law issue	In accordance with Article 21 point 4 of law on chemical No. 06/2007/QH12 dated on November 21st, 2007 of the XII National Assembly, production or business organizations and individuals that store or preserve hazardous chemicals must adopt chemical incident prevention and response measures or plans.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted from facility tour that there was no secondary containment for all chemical cans (12 cans of silicon) at chemical warehouse.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility shall provide secondary containments for all chemicals at chemical warehouse.	
		 <p>NC photo No secondary containment for chemicals.JPG</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600442366	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
Local law issue	In accordance with Article 23 of Law on occupational safety and hygiene (Law No. 84/2015/QH13) dated on June 25, 2015 on Personal protective equipment, 1. Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted from facility tour, 20% observed workers at spinning and knitting section did not wear earplug during working time. The facility already provided earplug to all workers free of charge.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that all workers at spinning and knitting section should wear earplug during working time.	
		 <p><u>NC photo Worker did not wear earplug.JPG</u></p>

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

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Personnel files with labour contract for all selected workers are available for review.
- The facility required all applicants to present their original ID cards, family books, residence records, national voting cards and birth certificates as age verification documents and maintain photocopy of records reviewed on their personnel files.
- Each employment application contained date of birth, ID. Number and the duly date signed and employee's signature.
- During this audit, 10 selected workers were selected from different sections as the sample for interviews.
- Based on facility tour, document review and employee interview, there was no employee less than 18 years of age working in the facility.

Evidence examined:

- Personnel files of all workers including copies of birth certificate, identity card, application letter
- Latest list of workers
- Anti-child labor policy
- Recruitment procedure and announcement

Any other comments:

Nil

Legal age of employment:	15
Age of youngest worker found:	18
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. There was no worker under 18 years old.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The facility applies monthly wage for all workers. Minimum wages paid by the facility to workers are VND 5,460,000 per month which are in compliance with the local law and the legal required minimum wage VND 4,680,000 per month effective since July 1, 2022 onward.
- All workers are paid cash on 10th of every month. The pay-slip in local language is distributed together with each payment period to each employee.
- All workers are 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.
- Social, health and unemployment insurance were paid to all 18 eligible workers until March 2024. The 30 remain workers is under probation period.
- The 14 days of annual leave is sufficiently provided to all workers in the year.
- Total 11 holidays are provided and paid to all workers in the year.
- The sick and maternity leave allowance is paid correctly to all workers in timely basic.
- The severance allowance, wages and entitled benefits have been paid correctly to the resigned workers in compliance with local law.
- The maternity leave of 6 months was provided to all female pregnant workers with full pay.
- The facility provided VND 936,000 per month for 01 leader and 01 vice leaders of the firefighting team as law requirement.
- 3 members of safety and sanitation network were provided VND 50,000 per month for responsibility allowance as law requirement.

Evidence examined:

- Approved wage scale.
- The payrolls and attendance records from April 2023 to March 2024
- Annual leave records from April 2023 to March 2024
- Leave applicant records from April 2023 to March 2024
- Severance payment record from April 2023 to March 2024
- Social security payment records from April 2023 to March 2024
- Employee files and labour contracts of 10 selected workers.

Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 48.0 Per Month: null	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 216.0	YES
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 4.0 Per Week: null Per Month: 40.0	Actual Per Day: 2.0 Per Week: 8.0 Per Month: 17.0	YES
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 4680000	Actual Per Day: 210000 Per Week: 1260000 Per Month: 5460000	YES
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: null Per Week: null Per Month: null	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 selected workers in March 2024 (current month) 10 selected workers in January 2024 (sample month) 10 selected workers in June 2023 (sample month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	VND 5,460,000 per month		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: VND 35,000 per day for meal allowance. VND 300,000 per month for attendance allowance. VND 300,000 per month for transportation allowance Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Workers should pay and be deducted monthly from their salary for insurance such as social insurance: 8%, health insurance: 1.5% and unemployment insurance: 1% (total 10.5%)		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Please list all deductions that have been made.	1. Social insurance 2. Medical insurance 3. Unemployment insurance
Please list all deductions that have not been made.	Nil
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During worker's interview, they confirmed that they were paid according with the working time in facility.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other - please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through facility rules review, payroll records review and workers' interviews, it was confirmed that equal rates are being paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- In general, employees are working for 6 days per week in 1 shift. The normal working time is 8 hours per day from 7:30 to 16:30 with break time from 11:30 to 12:30. Only employees at knitting section are working in 2 shifts (shift 1 is from 6:00 to 14:00 with 30 minutes of break from 11:00 to 11:30 and shift 2 is from 14:00 to 22:00 with 30 minutes of break from 18:00 to 18:30).
- There is no inconsistency found amongst time records, production records and security records.
- Based on the provided payrolls and time records, the maximum overtimes were noted as following:

2 hours / day in March 2024 (current month)
2 hours / day in January 2024 (sample month)
2 hours / day in June 2023 (sample month)

6 hours /week in March 2024 (current month)
6 hours / week in January 2024 (sample month)
8 hours / week in June 2023 (sample month)

6 hours /month in March 2024 (current month)
10 hours /month in January 2024 (sample month)
17 hour /month in June 2023 (sample month)

Evidence examined:

- Worker interview
- Management interview
- Local and national laws
- Factory policy on working hours
- Time records from April 2023 to March 2024
- Pay slips with recorded hours all workers interviewed
- Workers contracts
- Quality and production records to cross check hours
- Clinic records
- Daily production records
- Security logbooks

Any other comments:

Nil

Working hours' analysis	
Systems & Processes	
What timekeeping systems are used?	Fingerprint system is used to monitor working hours.
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/ day, 6 hours /week and 6 hours /month in March 2024 (current month) 2 hours / day, 6 hours / week and 10 hours /month in January 2024 (sample month) 2 hours / day, 8 hours / week and 17 hours /month in June 2023 (sample month)
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The maximum working hour (including normal and overtime hour) was 56 hours.

Approximate percentage of total workers on highest overtime hours:	50.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Based on worker interview, overtime is voluntary.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: - 150% of normal wage on regular day time - 200% of normal wage for rest day - 300% of normal wage for holiday
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers are paid at the rate of 150% of normal wage on regular day time, 200% of normal wage for rest day and 300% of normal wage for holiday based on facility policy and worker interview.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	Not applicable
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	Not applicable. The maximum working hour (including normal and overtime hour) was 56 hours per week.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Not applicable. The maximum working hour (including normal and overtime hour) was 56 hours per week.
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
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on interviewed workers and management, there is no evidence of any discriminatory practices based on the race, religion, age, nationality, social association, sexual orientation, gender or disability.
- During the audit, all 10 selected workers confirmed they are treated with respect and dignity.
- All 10 selected workers also emphasized that they are treated by their employer, supervisors and co-workers with respect and dignity.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Anti-discrimination procedure on hiring, compensation, promotion and access to training are available during the audit.
- Gender divisions did not exist in the facility; both female and male workers were distributed in all types of work.
- There was an internal grievance process, and all interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
- There was no evidence of sexual harassment.

Evidence examined:

- The hiring and termination procedure leave application records and employee handbook.
- Payrolls
- Training records
- Time recording records
- Termination records

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 40.0%	Female: 60.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	1 machine engineer	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	No evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation found.	
Professional Development		
What type of training and development are available for workers?	Health and safety training was provided annually.	

Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---	---

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on reviewed documents and interviewed workers, all workers are interviewed and hired directly by the facility.
- They are given an orientation on the facility rules and regulations including labour issues, wages and benefits, working time, and health and safety.
- A labour contract is signed by both employee and employer after employee's probation period is passed.
- All workers were not required to sign blank papers or resignation letter.

Evidence examined:

- The hiring and termination practices
- Personal files
- Payroll records were provided for review.

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- | | |
|--|---|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

- Yes No

Migrant Workers

Type of work undertaken by migrant workers:	Not applicable. No migrant workers were used by the facility.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. No migrant workers were used by the facility.
Is there any observation on this finding?	Not applicable. No migrant workers were used by the facility.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	Not applicable. There was no agency worker.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. There was no agency worker.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. There was no agency worker.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractor on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. There was no contractor on site.

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

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.
8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

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

Current Systems:

- A site tour showed that it was noted that production processes were done by the facility.
- There were no subcontractors or home workers used by the facility.

Evidence examined:

- Site tour (Calculation on total production and estimated capacity)
- Materials in/out records
- Management interview
- Worker interview

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined

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

Current Systems:

-Based on the documentation review, it was noted that the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all workers on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure, management interview, document review, and workers interview, there was a policy on Harsh Treatment.
-There is an internal process for grievance which a grievance box was installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and most of workers knew about this.
-Through the facility management and workers' interview, it is noted that no case of abuse or discipline was happened in the facility and the disciplinary procedure of the facility was verbally warning and workers signed a slip to confirm they had understood the procedure.

Evidence examined:

- The relevant policy on prevention of harassment and abuse
- Training records
- Internal grievance procedure documentation

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="checked" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Any violations of Labour standards and H&S violations of Labour standards and H&S or any other grievances can be reported to the Trade Union representative or the local authority on labour. Suggestion box was installed in the workshop for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party.
If yes, are workers aware of these channels and have access? Please give details.	During interview with workers and Trade Union representative, it was noted that the workers know how to report violations of Labour standards and H&S or any other grievances.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box Verbal exchange Trade Union discussion
Which of the following groups is there a grievance mechanism in place for?	<input checked="checked" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other

Please provide grievance mechanism details	There is an internal process for grievance which a grievance box was installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and most of workers knew about this.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.
10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current Systems:

- Based on document review, management interview and worker interview, all workers in the facility were Vietnamese. 15% workers were from located facility area and 85% workers were from other provinces.
- All workers had the proper legal rights to work in this region.
- The youngest age was 18 years old.
- All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
- No agency staff or foreign worker was used by the facility.

Evidence examined:

- Hiring procedure
- Personnel files

Any other comments:

Nil

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

10B4: Compliance Requirements

- 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
- 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
- 10.B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements
- 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).
- 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site’s efforts to improve environmental performance.
- 10B4: Guidance for Observations
- 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on the facility tour, it is observed that general housekeeping in the production areas are in good conditions and organizations.
- Environment policy was established.
- The facility nominated individual responsible for co-ordinating the site’s efforts to improve environmental performance.
- All wastes including production, living and hazardous wastes are separated in storage and collected weekly by the authorized waste collector service.
- The air emissions and wastewater were inspected every 6 months with the most recent inspection on November 22, 2023 with satisfactory results.
- The facility got environment permit issued by local authority on March 15, 2024 and still valid.
- Based on interviewed workers, all of workers satisfied with the environmental conditions of the facility.

Evidence examined:

- Policy on environment protection.
- Energy & water bills.
- Workers and management interview.
- Facility observation.
- Environment Impact Assessment
- Environment monitoring report
- Hazardous waste register
- Wastewater discharge permit

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Ms. Nguyen Thi Phuong Dung- Director Assistant
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility does not have a recognized environmental system certification.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility posted environment policy including key impacts from their operations and their commitment to improvement at the notice board.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such certificate in the facility.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility got environment permit issued by local authority.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The facility has documentation process to record hazardous chemicals used in the manufacturing process
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Director Assistant is in charge of checking client's requirements and legislation regarding environmental and chemical issues every month.

Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reducing energy consumption by turn off the light if not use and change to use led light.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Waste recycling is monitored and record the recycled volume.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognized protocols or standard.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility checked all business partners operating on the premises have appropriate permits and licenses and are conducting business in line with environmental expectations of the facility.

Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	165483	47609
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	local water authority	local water authority
Water Volume Used	630	173
Water Discharged	City's sewage system	City's sewage system
Water Volume Discharged	540	138
Water Volume Recycled	0	0
Total waste produced	2,808 Kg	678 Kg
Total hazardous waste produced	110 Kg	15 Kg
Waste to recycling	245 Kg	47 Kg
Waste to landfill	2,453 Kg	616 Kg
Waste to other	0 Kg	0 Kg
Total Product Produced	200,000 pcs	20,000 pcs

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

10C: Compliance Requirements

- 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
 - 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
 - 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
 - 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
 - 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
 - 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
 - 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
- 10C: Guidance for Observations**
- 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
 - 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

- The Business Ethics policy concerning bribery, corruption, or unethical Business Practice was established.
- The facility communicated the business Ethics policy to their supplier.
- The facility has transparent system in place for confidentially reporting and dealing with unethical Business Practices without fear of reprisals towards the reporter.
- The supplier forbids all means of bribery, corruption or ethical issues in the operation of the supplier.
- The facility was assigned Director Assistant responsible for Business Practices, integrity/ ethical issues
- The facility issued the procedure to control and handle of grievances. There were 2 feedback channels that allow employees to report integrity/ ethical issues including suggestion box and directly.

Evidence examined:

- Business Practices policy
- Procedure to control and handle of grievances
- Training record

Any other comments:

Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- Internal Policy
- Policy for third parties including suppliers

Please give details:

The supplier forbids all means of bribery, corruption or ethical.

<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: The facility did not provide training to relevant on business ethics issues.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Business Ethics Policy was reviewed annually by the facility management.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility required third parties including suppliers to complete their own business ethics training.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600442367	
Clause	10C - Business Ethics – 4-Pillar Audit	
Issue Title	659 - Policy and procedures to prevent or avoid bribery, corruption and other unethical business practices have not been communicated to employees in higher risk positions such as management, finance, purchasing and logistics	
Subcategory	BE - Systems to manage compliance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Inadequate control	
ETI code	10.C.7 - Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.	
Explanation to the non compliance	It was noted that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics were not trained on what action to take in the event of an issue arising in their area.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended the facility should train for all relevant employees on ethical Business Practice	

Attachments



1. Facility name.JPG



2. Main gate.JPG



3. Facility overview.JPG



4. Facility overview.JPG



5. Parking area.JPG



6. Spinning section.JPG



7. Knitting section.JPG



8. Linking section.JPG



9. Washing and drying section.JPG



10. Ironing section.JPG



11. Inspection and packing section.JPG



12. Fire extinguisher.JPG



13. Smoke detector.JPG



14. No smoking warning sign.JPG



15. Emergency light and exit sign.JPG



16. Exit route.JPG



17. Evacuation map.JPG



18. Fire alarm center.JPG



19. Fire alarm.JPG



20. Emergency exit is opened outward.JPG



21. Fire pump.JPG



22. Sprinkler system.JPG



23. Fire hose.JPG



24. External inspection record for fire extinguisher.JPG



25. Warning sign and safety cover for electrical panel.JPG



26. Inner cover for electrical panel.JPG



27. Toilet area.JPG



28. Drinking water.JPG



29. PPE wearing.JPG



30. PPE wearing warning sign.JPG



31. Safety warning sign.JPG



32. Posted MSDS.JPG



33. Eye wash station.JPG



34. First aid kit.JPG



35. Posted ETI code of conduct.JPG



36. Notice board.JPG



37. Finger print machine.JPG



Signed CAP of Nguyen Duy Trading Producing Company Limited - Hoang Huu Nam Branch .pdf



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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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