




Sedex Members Ethical Trade Audit Report

Version 6.0



Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC		
Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS		
Business name (Company name):	Hoang Son I Joint Stock Company		
Site name:	Hoang Son I Joint Stock Company		
Site country:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar	
Site address: <i>(Please include full address)</i>	Hamlet 2, Duc Lieu Commune, Bu Dang District, Binh Phuoc Province, Vietnam		
Site contact and job title	Mr. Ta Van Thanh - Vice Director		
Site phone:	0973.112.234		
Site e-mail:	ctyhoangson1@gmail.com		
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit	2-3/11/2018		

Audit Company Name & Logo: Vietnam 	Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Retailer	<input type="checkbox"/>	Brand Owner	<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 6.0 April 2017 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
 - Management systems and code implementation,
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size):

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

Lead auditor: MR. TO THANH SON

Team auditor: MS. NGUYEN THI TRA LY

Interviewers: Mr. TO THANH SON

Report writer: TO THANH SON

Report reviewer: B. Sathiyarayanan

Date of declaration: 28/11/2018

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

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

Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Summary of Findings (note to auditor, summarise in as few words as possible, all findings, NC, Obs & GE's.)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Human Rights			<input type="checkbox"/>	<input type="checkbox"/>				
0B	<u>Management systems and code implementation</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
2	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
3	<u>Safety and Hygienic Conditions</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	04			<p>NC1: It was noted that the electricity boxes had not kept in good condition and not closed for safety</p> <p>NC2: The restroom within the factory has not completely identify for male and female</p> <p>NC3: Industrial Waste from production such as pallets and steel are putting outside the production area without good arrangement, that may cause to the health and safety issue</p> <p>NC4: It was noted that the current canteen is not good arrangement/set up and that should re-arrangement and keep more space for staff having the meal</p>

4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	01			NC5: It was noted that the duration of working hours per day are not clearly define within the labour contract of new comer for the month of Oct 2018 (all thought the actual working hours of these new comer are recorded within 8 hours as regular)
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B4	<u>Environment 4-Pillar</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01			NC 6: It was noted that the waste store is not in stable structure build, and some wastes are putting outside
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

Site Details

Site Details																
A: Company Name:	Hoang Son I Joint Stock Company															
B: Site name:	Hoang Son I Joint Stock Company															
C: Applicable business and other legally required licence numbers and documents for example, business license no, liability insurance, any other required government inspections	<p>Business and Tax Registration No: 3800259342, issue date 20/7/2017, Binh Phuoc Provice</p> <p>Land right no 01/HĐTQSDĐ, issue date 01/8/2016, total is 43.375 m2 and production area is 21.400 m2</p>															
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Processing of cashew nuts															
E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The Factory was located at Hamlet 2, Duc Lieu Commune, Bu Dang District, Binh Phuoc Province, VietnamIn view of the facilities:</p> <ul style="list-style-type: none"> - Total land: S = 43.375m2 - Production: S = 21.400m2 - others: <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Production line</td> <td></td> </tr> <tr> <td>Floor 2</td> <td></td> <td></td> </tr> <tr> <td>Floor 3</td> <td></td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td></td> <td></td> </tr> </tbody> </table> <p>Visible structural integrity issues (large cracks) observed and without structural engineer evaluation</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details:</p>	Production Building no	Description	Remark, if any	Floor 1	Production line		Floor 2			Floor 3			Is this a shared building?		
Production Building no	Description	Remark, if any														
Floor 1	Production line															
Floor 2																
Floor 3																
Is this a shared building?																
F: 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
G: Month(s) of peak season: (if applicable)	N/A
H: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Receive raw materials → dry, warehouse → Nut processing → Split kernel → Dry → Use machine to peel silk shell → Classify colour → Classify size → Fumigate → X-Ray → Packing → Detect metal → Store in finished product warehouse, load to container.
I: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (Mr. Ly Tho Kin – Chairman of union) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
J: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
K: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation
L: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
M: Were the site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details

Audit Parameters			
B: Time in and time out	Day 1 Time in: 08:00 Day 1 Time out: 17:00	Day 2 Time in: 09:00 Day 2 Time out: 16:00	
C: Number of Auditor Days Used:	02 day with 02 Auditors (Total 3.5MD)		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
E: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not The factory had only just started the SAQ and so did not make it available to the auditors.		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please capture detail in appropriate audit by clause		
T: Who signed and agreed CAPR (Name and job title)	Mr. Ta Van Thanh – Vice Director		
Is further information available (if Yes please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Y: Previous audit date:	NA		
Z: Previous audit type:	NA		
Was any previous audit reviewed during this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	

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 and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	70	0	0	0	0	0	0	70
Worker numbers – female	50	0	0	0	0	0	0	50
Total	120	0	0	0	0	0	0	120
Number of Workers interviewed – male	16	0	0	0	0	0	0	16
Number of Workers interviewed – female	10	0	0	0	0	0	0	10
Total – interviewed sample size	26	0	0	0	0	0	0	26

A: Nationality of Management	Vietnamese
B: Majority nationality of workers	Main countries: Vietnam Country 1: _____ approx % total workforce _____ Country 2: _____ approx % total workforce _____ Country 3: _____ approx % total workforce _____
C: Worker remuneration (management information)	_____% workers on piece rate _____% hourly paid workers 100% salaried workers Payment cycle: _____% daily paid _____% weekly paid _100_% monthly paid _____% other – please give details

Worker Interview Summary

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	04 groups of 5
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 03 Female: 03
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	N/A
I: What did the workers like the most about working at this site?	<ul style="list-style-type: none"> The working condition is good The worker's benefits and wages are good
J: Any additional comment(s) regarding interviews:	N/A
K: Attitude of workers to hours worked:	The interview was done friendly
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please give details:	
M: Attitude of workers: (Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	
<ul style="list-style-type: none"> There was no young worker employed in the facility. The working condition is good 	

- The worker's benefits and wages are good
- The workers are happy with their job, and working conditions at the company
- 10 workers were selected for interviews randomly according to their positions, physical appearance and personnel file records
- The interviews were conducted confidentially in a private meeting room.
- The interview was done friendly.
- They were asked about living wage, benefits, allowance, working hour and workplace, occupational health & safety and working conditions.

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

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

Mr. Ly Tho Kin– UN Leader

O: Attitude of managers:

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

- The Manager is high commitment to comply with audit requirements, although the Org has just established and they are trying to follow the Local law and this code at the beginning for a stable business with clients
- Document and record are enough and available at point of use
- The Managers and key staff support the audit team, there are very friendly and co-operative
- The management was cooperative and receptive during the audit process.

Audit Results by Clause

0A: Human Rights (Click here to return to NC-table)
<p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p> <p>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 human rights responsibilities.</p>

Current Systems and Evidence Examined
<p>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.</p>
<p>Current systems:</p> <p>Human rights policy, issue date 1/7/2018</p> <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Factory has a Human rights policy, issue date 1/7/2018. Factory identified stakeholders such local department such Binh Phuoc District Social Insurance Chamber, Labour Chamber, Binh Phuoc Fire Police, Binh Phuoc District Environmental Inspection Chamber, Binh Phuoc District Tax department. The facility has a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Human rights policy, issue date 1/7/2018
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

C: Does the businesses 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: suggestion box/ email/ union
D: 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: All personal data is kept confidential is policy of company

Findings: 00	
Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/> Local law or ETI/Additional elements / customer specific requirement: Comments:	Objective evidence observed:

Good examples observed: Nil	
Description of Good Example (GE):	Objective Evidence Observed:

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: 5%	This year: 5%
B: % Quarterly (90 days) turnover # terminations from the first of the 90 day period through to the last day of the 90 day period / [(# employees on the 1 st of day of 90 day period + # employees on the last day of the 90 day period) / 2]	Quarter III-2017: 5% Quarter IV-2017: 5%	
C: % absenteeism # of days lost through job absence in the month /	Last year: NA	This year 1 %

[(# employees on 1 st of the month + # employees on the last day of the month / 2] * # available workdays in the month		
E: Are accidents recorded?	<input type="checkbox"/> Yes (There is incident) <input checked="" type="checkbox"/> No Please describe: 2018: 0 incidents	
F: # work related accidents and injuries per 100 workers [# work related accidents and injuries * 100] / # total workers]	Last year: 2017 Number: 0	This year: 2018 Number: 0
G: Lost day work cases per 100 workers [(# lost days due to work accidents and work related injuries * 100) / # total workers]	This year: 0	Last year: NA
H: % workers that work on average more than 48 hours / week in the last 6 / 12 months	6 months 0 % workers	12 months 0 % workers
I: % workers that work on average more than 60 hours / week in the last 6 / 12 months	6 months 0 % workers	12 months 0 %workers
J: % Workers report that they know what paid leave is due to them (I.e. is it communicated and understood)	100 % workers	
K: % complaints resolved / grievances responded to.	100 % complaints / grievances responded to	100 % complaints / grievances resolved

0: Management systems and Code Implementation

0B: Management system and Code Implementation (click here to return to NC Table)
0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code. 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code. 0.3 Suppliers are expected to communicate this Code to all employees. 0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

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: Documents checked & comments: Company policy, procedures, regulations issue 1/7/2018 ETI code issue date 1/7/2018

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

Details:

There is handbook of company that describes clearly about the company policies, background, employee freedom, compensation issues, benefits, discipline, disciplinary issues, working hours and etc. The company is expected to communicate relevant code to its key suppliers in near future. The Collective Agreement is writing discipline, grievance writing for the worker. The company had many procedures about the company regulations of safe and health, working conditions. Everyone should follow strictly these procedures.

Any other comments: Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Social accountability policy, issue 1/7/2018
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	All workers were provided training for the code
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: All manager and workers were provided training
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Checked current training record on 6/2018.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Mr. Dinh Xuan Thuoc - Human Resource Leader, She is responsibility, roles in resource management, payroll, working hour, recruitment, training.

H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Confidential policy
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Confidential policy
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Risk assessment procedure, issue 1/7/2018
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: see on Risk assessment list and action plan, issue 1/7/2018
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Land rights licenses and permission no 01/HĐTQSDĐ, issue date 01/8/2016
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Legal and other requirement procedure, issue 1/7/2018
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how does the company obtain FPIC:
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:

<p>R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:

Non-compliance: 00		
<p>1. Description of non-compliance:</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: </div> <div> <input type="checkbox"/> NC against Local Law </div> </div> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: </div> <div> <input type="checkbox"/> NC against Local Law </div> </div> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	Objective evidence observed: <i>(where relevant please add photo numbers)</i>	

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

Good Examples observed: Nil	
Description of Good Example (GE):	Objective evidence observed:

1: Employment is Freely Chosen

1: Freely Chosen Employment
[\(Click here to return to NC-table\)](#)

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

The procedure, collective bargaining agreement

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

Details:

Description of status:

There is no forced and compulsory labour. The workers are not required to pay deposit or any property, or identification documents. The factory does not engage any forced or bonded labour. The factory also does not keep any original document from the workers, confirmed by the interviewed workers. Workers are free to leave their employer with their notice according to the Vietnam labour code. The workers are not required to lodge "deposits" or their identity paper or their ID. Checked some records and found that there are a lot of people, who worked for the company with long time. The employees are free to leave after reasonable notice.

The factory established a policy to ensure employment is freely chosen. The policy includes the following clause:

1. The factory does not require deposit or withhold employees' ID cards.
2. The factory does not limit the employees' freedom.
3. There is no forced, bonded or involuntary prison labour.
4. Employees are free to leave their employer after reasonable notice.

Any other comments: Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's

☐ Yes

☒ No

If Yes please give details and category of workers affected

B: Is there any evidence of a loan scheme in operation

☐ Yes

☒ No

If yes please give details and category of worker affected

C: Is there Any evidence of retention of wages /deposits

☐ Yes

☒ No

	If yes please give details and category of worker affected
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement'. Is there a modern day slavery statement published	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:
F: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable If yes please give details and category of worker affected
G: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:

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

<p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	
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Observation: Nil	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: Nil	
<p>Description of Good Example (GE):</p>	<p>Objective evidence observed:</p>

2: Freedom of Association and Right to Collective Bargaining are Respected

2: Freedom of Association and Right to Collective Bargaining are Respected

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- 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:

Documents checked & comments:

The collective labour agreement is registered.

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

Details:

The company has temporary trade union. And there is grievance procedure, legislation, hours of work, salary structure, overtime allowance, annual leave, gazetted holidays, disciplinary procedure and etc. Workers without restriction, have the right to join the union on their own and workers' representatives were found not discriminated and have access to carry out their representative functions in the workplace. The representative of temporary trade Union is now Ms. Dao Thi Bich Diem. Through the factory management interview and workers' interview, it was noted that there was trade union in the factory. Workers can raise their concerns through union's representatives, telephone, suggestion box, meeting and their team leader or above.

Any other comments: nil

A: What form of worker representation/union is there on site?	<input checked="" type="checkbox"/> Union (Mr. Ly Tho Kin – Union leader) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Facility have H&S team and procedure to management H&S in facility, sexual harassment policy and procedure Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
F: Name of union and union representative, if applicable:	Mr. Ly Tho Kin – Union leader	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees? .		Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Mr. Ly Tho Kin – Union leader
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: Mr. Ly Tho Kin is union leader with 08 members of union
J: Do workers know what topics can be raised with their representatives?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: 1	
L: State any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The recent meetings of Labour Union on 15/8/2018	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
N: If Yes what percentage by trade Union/worker representation	_100_% workers covered by Union CBA	_0_% workers covered by worker rep CBA
O: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Non-compliance: 00	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>

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

Good Examples observed: Nil	
<p>Description of Good Example (GE):</p>	<p>Objective evidence observed:</p>

3: Working Conditions are Safe and Hygienic

3: Working Conditions are Safe and Hygienic

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ETI

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

Procedure, regulation, company's record, interview

Health and safety policy, issue 1/7/2018

Health and safety procedure, issue 1/7/2018

Emergency preparedness procedure, issue 1/7/2018

Fire-fighting regulation, issue 1/7/2018

Incident investigation instruction, issue 1/7/2018

PPE regulation, issue 1/7/2018

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

Details:

The company has demonstrated good awareness to legal requirements related to OHS. Company basically meets the legal requirements. The company has a safety and health policy appropriate with the nature of its activities. Workers are provided with suitable PPE, which includes safety shoes, gloves, face mask and ear protection however the implementation should more control. The health check has been checked and verified. The toilet facilities are clean, separate for female and male. The health check was done yearly for all of staff. Its charge is at company.

Appointment HSE representative – Mr. Ta Van Thanh

Health examination for all staffs is carried out on 8/6/2018

First aid training for first aid team is carried out on 10 - 11/10/2018

Incident, accident report of 2018: 0 incident

Fire drill, date 22/1/2018

Health and safety training by authority, date 15-17/8/2018

Working environment test, date 30/6/2018

<p>A: Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details:</p>
<p>B: Are the policies included in worker's manual?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: All policies, procedure posted in bulletin board/ information board on each workshop for reference</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Details:</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details:</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details:</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Details: First aid training provided and established the first aid team</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Details:</p>
<p>H: Secure personal storage space is provided for workers in their living space and is fit for purpose</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Details: N/A</p>

I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:

Non-compliance: 04

1. Description of non-compliance:
☒ NC against ETI ☐ NC against Local Law ☐ NC against customer code:

It was noted that the electricity boxes had not kept in good condition and not closed for safety

Local law and/or ETI requirement:

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.

Recommended corrective action:

The Org will immediately be repaired and replace to ensure all of electricity boxes in good condition and safety for use

2. Description of non-compliance:
☒ NC against ETI ☐ NC against Local Law ☐ NC against customer code:

The restroom within the factory has not completely identify for male and female

Local law and/or ETI requirement:

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.

Objective evidence observed:
On-site assessment and record review

Objective evidence observed:
On-site assessment and record review

Recommended corrective action:

The Org will immediately be identified for male and female

3. Description of non-compliance:

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

Industrial Waste from production such as pallets and steel are putting outside the production area without good arrangement, that may cause to the health and safety issue

Local law and/or ETI requirement:

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.

Recommended corrective action:

The Org will immediately clean and ensure the Industrial waste will put in the right place and clear them as much as possible, to ensure that will not affect to the health and safety

4. Description of non-compliance:

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

It was noted that the current canteen is not good arrangement/set up and that should re-arrangement and keep more space for staff having the meal

Local law and/or ETI requirement:

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.

Recommended corrective action:

The Org will re-arrangement and enlarge the canteen to ensure that enough place for staff to having meal and taking rest comfortably

Objective evidence observed:
On-site assessment and record review

Objective evidence observed:
On-site assessment and record review

Observation: Nil

Description of observation: Local law or ETI requirement: Recommended corrective action:	Objective evidence observed:
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Good Examples observed: Nil	
Description of Good Example (GE):	Objective Evidence Observed:

4: Child Labour Shall Not Be Used

4: Child Labour Shall Not Be Used
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ETI

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

HR handbook, procedure, regulation.

Child Labour policy, date 1/7/2018 with commitments no use of child labour.

Child Labour Procedure, date 1/7/2018

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

There are no young workers or child worker has been identified during audit. Factory checks the age before recruitment and maintains age related documents in the workers personnel files. The factory checks and compares the original ID of workers when interviewing. At the site also is no child labour found. There are a lot of people worked for company at the beginning. Children and young persons under 18 shall not be employed at night or in hazardous conditions. Verified the list of worker file and found that there is no child and young workers at the site on the year field of birth. The factory will verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. Sufficient numbers of employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.

A: Legal age of employment	18
B: Age of youngest worker found:	18
C: Children present on workfloor but not working at time of audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y give details

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

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

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

5: Living Wages are paid

5: Living Wages are Paid
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ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

HR handbook, procedure, regulation

Salary registration book is established and registered as requires by local law

Lowest wage paid (on monthly basis): 2.760.000 VND/per month, and local requires is 3.000.000 VND in minimum

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

Details:

Through the interview the worker is satisfied with company's wage and benefit. Generally, wages and benefits were found paid in accordance with the Labor contract and Vietnam law. Basic salary, over time and others medical benefits was also stipulated in the employment letter. Workers interviewed found that they were aware about the salary scheme, including amount deductible for the social insurance. Wages and benefits paid for a standard working week meet, at 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. The salary of workers is good and on time. The company salary policy is open and fair. The OT and night shift were paid accordingly to collective agreement of trade unions and Vietnam labor code. Verified the salary paid of July, Aug and Sep 2018 noted that the salary has been paid on the end of month through payment order. In general, the wage and benefit of company (such meal allowance, transportation allowance, attitude allowance) is good through reviewing record and interviewing workers at the site.

Non-compliance: 00

1. Description of non-compliance:

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

Objective evidence observed:

<p>Local law and/or ETI requirement:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p>	
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Observation: Nil	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	Objective evidence observed:

Good Examples observed: Nil	
Description of Good Example (GE):	Objective Evidence Observed:

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 8 hours per day	8 hours per day	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 4 hours per day 12 hours per week 30 hours per month	4 hours per day and does not exit 12 hours per week	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 2.760.000 VND/per month	3.000.000 VND/per month	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 150% for working day, 200% for rest day and night shift; 300% for holidays	150% for working day, 200% for rest day and night shift; 300% for holidays	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis:

Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: If No, why not?		
C: 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)	Wage records were checked from July, Aug and Sep of 2018, total 26 records were checked.	
D: Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, please give details:
E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If No, please give details:
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	Lowest Wages found: Note: full time employees and please state hour / week / month etc. Full time employees: 8 hours per day, 48 hour per week	Please indicate the breakdown of workforce per earnings: N/A
	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet	____% of workforce earning under min wage ____% of workforce earning min wage 100 % of workforce earning above min wage

	<input checked="" type="checkbox"/> Above	
G: Bonus (amount specify)	Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i>	
H: What deductions are required by law e.g. social insurance? Please state all types:	Deduction of social insurance 8%, health insurance 1.5% and unemployment insurance 1%	
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please describe: (1) tax (2) the fee for labour insurance policy where rate applies varies for individual wage. (The company still supports parts of the insurance fees.) (3) Health Insurance Fee where rate varies with individual wage and claimed numbers of family involved in the policy; (4) deduction union fee	
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please specify amount/time: Living wage survey – 3.000.000 VND per month, was conducted on date 1/7/2018 Legal requirements - Decree 141/2017/ND-CP dated 7/12/2017, effective date 25/1/2018.	
If yes, what was the calculation method used.	<input checked="" type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:	
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

basic needs of workers plus discretionary income).	Details: Base on living wage survey at least 1 time per year and base on any changes from legal requirement on minimum wage to review wages.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

6: Working Hours are not Excessive

6: Working Hours are not Excessive
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ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

Document, record from accountant dept. Working hour and OT records of July, Aug, and Sep 2018 were checked

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

Working hours clear mentioned on Internal regulation, contract and Collective Bargaining Agreement.

Working hours: 48 hours per week

Working overtime is voluntary, not over than 4 hours per day and 12 hours per week and 30 hours per month.

Working shift: Only 01, from 7h30 – 11h30 and 13h00 – 17h00

Non-compliance: Nil	
<p>1. Description of non-compliance:</p> <p><input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>It was noted that the duration of working hours per day are not clearly define within the labour contract of new comer for the month of Oct 2018 (all thought the actual working hours of these new comer are recorded within 8 hours as regular)</p> <p>Local law and/or ETI requirement:</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week</p> <p>Recommended corrective action:</p> <p>The Org will immediately correct these contracts accordantly as regular for the time of starting/finish and resting time clearly</p> <p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: Labour contract/time records/Interviewed</p>

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

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

Working hours' analysis

Working hours' analysis					
Please include time e.g. hour/week/month (Go back to Key information)					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: There is attendance recorder system are used				
B: Is sample size same as in wages section	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Details			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Y please %detail hours, % and types of workers &affected and frequency Details			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:		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): 0				

Standard/Contracted Hours worked		
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	18hours/month
J: Combined hours (standard/contracted plus= total) 60 found?	0	
K: Approximate percentage of total workers on highest overtime hours	___0___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	Please give details of normal day overtime premium as a % of <u>standard</u> wages: 150% for working day, 200% for rest day and night shift; 300% for holidays
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please describe % of workers & frequency: 100%
O: ETI Code requires a prevailing standard to give greatest worker protection.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input checked="" type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	

<p>If a site pays less than 125% OT premium <u>and</u> this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	
	<p>Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<div data-bbox="416 674 1262 842"> <input checked="" type="checkbox"/> Overtime is voluntary <input checked="" type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) </div> <div data-bbox="416 864 1015 902"> <p>Please explain any checked boxes in R above</p> </div> <div data-bbox="416 936 887 974"> <p>Onsite CBA when have urgent order</p> </div>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<div data-bbox="416 1032 711 1133"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>If yes, please describe</p> </div>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<div data-bbox="416 1323 504 1391"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div>

7: No Discrimination is practiced

7: No Discrimination is Practiced
(Click here to return to NC-table)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

Company policy, regulation, procedures, interview

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

Details:

Workers interviewed were generally understood the terms and conditions of the employments. The toilet is separated for male and female. Workers interviewed were generally satisfied with the terms and conditions of the employments. All the requirements stipulated in labour contract and to have implemented and executed satisfactory. 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.

Through employee interview, management interview and documents review:

1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
2. The factory provides the same pay to male/female employees.

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: __65__ % Female __25__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	4 women
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

Professional Development

A: What type of training and development are available for workers?	Please give details: Company regulation, policy, HSE training, Social awareness, Code of conduct, on-jobs specific training
---	---

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

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

Observation: Nil	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed: Nil	
Description of Good Example (GE):	Objective Evidence Observed:

8: Regular Employment Is Provided

8: Regular Employment Is Provided
[\(Click here to return to NC-table\)](#)
[\(Click here to return to Key Information\)](#)

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

Interview, document, record check

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

Workers are provided with continuous employment as per the contract signed between the employee and the employer. All the obligations to employees under the labor contract and collective Agreement have been fulfilled and met accordingly. For e.g. annual leaves, medical leaves, hospitalization benefits, public holidays, working hours and OT. The audit team checked staff file and found that all employees have writing contract with employer. Work performed is on the basis of recognized employment relationship established through national law and practice.

There is no home working from the site.

Non-compliance: 00

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

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

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>

C: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes Please describe details and specific category(ies) of workers affected
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other
C: If any checked, give details:	

Migrant Workers: N/A <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
B: Type of work undertaken by migrant workers:		
C: Migrant worker recruitment	Total number of (in country recruitment agencies) used: Total number of (outside of local country) recruitment agencies used	
D: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations
E: Are Any migrant workers in skilled, technical, or management roles Migrant Workers (this should include all migrant workers including permanent	#: <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes number and example of roles	

workers, temporary and/or seasonal workers)	
---	--

NON-EMPLOYEE WORKERS: N/A

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

Agency Workers (if applicable) N/A (workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	And names if available:
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Details
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe:

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

8A: Sub-Contracting and Homeworking: NA

8A: Sub-Contracting and Homeworking

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems: NA

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

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

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

Non-compliance: NA

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

Observation: Nil	
<p>Description of observation:</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

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

<p>Summary of sub-contracting – if applicable</p> <p><input checked="" type="checkbox"/> Not Applicable please x</p>	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Please describe:</p>

B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, summarise details:
C: Number of sub-contractors/agents used	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

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

9: No Harsh or Inhumane Treatment is allowed

<p>9: No Harsh or Inhumane Treatment is Allowed (Click here to return to NC-table)</p>
<p>ETI</p> <p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Grievance policy and procedure, date 1/7/2018.
B: If Yes, are workers aware of these channels and have access? Please give details.	The procedure was posted in bulletin board to communicating to all employees.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Policy and Procedure only, no comment box found
D: Is there a grievance mechanism in place for:	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other Details:
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details
F: Does grievance mechanism meet with UNGP requirement of e.g. (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 If no, please give details
G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or whistle blowing mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details
H: Is there a published and transparent disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain

I: If yes, are workers aware of these the disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details
J: 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 If Yes please give details

<p align="center">Current Systems and Evidence Examined</p> <p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current systems:</p> <p>Documents checked & comments:</p> <p>Interview, document check</p> <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <p>The company established the collective bargaining agreement between the employee and employer. Nothing has been identified or reported by interviewed workers as harsh or inhumane treatment. There is clear regulations on the Collective Labour Agreement prohibited to use any abusive language or attitude. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation be prohibited. Through the factory management and workers' interview, it was noted that no physical abuse or discipline happened in the factory and the disciplinary procedure of the factory is verbal warning and education</p>

Non-compliance: 00	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>

<p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	
--	--

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

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

10 A: Entitlement to Work and Immigration

<p>10. Other Issue areas: 10A: Entitlement to Work and Immigration <i>(Click here to return to NC-table)</i></p>
<p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>

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

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

Details:

-No employment agencies to supply workers to the office
 -All workers employed by themselves directly.
 -The company has a copy of valid laws and regulations on employment& understands its requirements.
 -Selection of workers depends on competency to perform the needed job.
 For selected workers, their original documents reviewed to ensure age and above mentioned Information, then the factory maintains copy of these documents. Only workers with a legal right to work shall be employed or used by the factory. There are no agency staffs, employment agencies and immigration workers in the factory.

Non-compliance: 00

1. Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local Law

☐ NC against customer code:

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

2. Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local

☐ NC against customer code:

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation: Nil

Description of observation:

Local law or ETI/Additional Elements requirement:

Comments:

Objective evidence observed:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

10 B 2: Environment 2-pillar

10. Other issue areas 10B2: Environment 2-Pillar

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

Environmental report

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

Environmental report.

Description of current status:

Factory controlled the Environmental aspect such as waste water, hazardous waste, chemical and monitored the environmental aspects

The company has sign the contract with supplier for transport and treatment hazardous waste

Non-compliance: 00

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Objective evidence observed:
(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation: Nil

Description of observation:

Local law or ETI/additional elements requirement:

Comments:

Objective evidence
observed:

Good examples observed: Nil

Description of Good Example (GE):

Objective Evidence
Observed:

10 B 2: Environment 10B4: Environment 4–Pillar

10. Other issue areas 10B4: Environment 4–Pillar: Not applicable

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents checked & comments:

Environmental report

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

Environmental report.

Description of current status:

Factory controlled the Environmental aspect such as waste water, hazardous waste, and monitored the environmental aspects

The company has sign the contract with supplier for transport and treatment hazardous waste

Non-compliance: 01

1. Description of non-compliance:
☒ NC against ETI ☐ NC against Local Law ☐ NC against customer code:

It was noted that the waste store is not in stable structure build, and some wastes are putting outside

Local law and/or ETI/Additional Elements requirement:

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

Recommended corrective action:

The Org will establish the Waste storage for keeping all the waste of Org accordantly

Objective evidence observed: Site tour verified

Observation: Nil

Description of observation:

Local law or ETI/Additional elements requirements:

Comments:

Objective evidence observed:

Good examples observed: Nil

Description of Good Example (GE):

Objective Evidence Observed:

Environmental Analysis – SỐ LIỆU MÔI TRƯỜNG

(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)

A: Responsible for Environmental issues (Name and Position): tên người phụ trách Môi trường

Mr. Ta Van That

B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks
Có báo cáo Đánh giá tác động môi trường không?

☒ Yes ☐ No
Details: Reported twice a year

C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Có chứng nhận ISO 14000 không? Please detail.

☐ Yes ☒ No
Details:

D: Does the site have an Environmental policy? Có chính sách môi trường không? (For guidance, please see Measurement criteria)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement? Có các chương trình giám sát môi trường không?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Environment report, date 1/7/2018
F: Does the site have a Biodiversity policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
H: Have all legally required permits been shown? Please detail. Có các giấy phép liên quan môi trường không? Chỉ ra	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Environmental protection commitment, no 2387, date 19/9/2016
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process? Có quy trình, hồ sơ kiểm soát hóa chất độc hại được sử dụng trong nhà máy không?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? Có một hệ thống để quản lý các yêu cầu và luật pháp của khách hàng liên quan đến các vấn đề môi trường và hóa học không?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions Có thiết lập các chỉ tiêu môi trường: giảm thiểu sử dụng nước và xả thải, rác, năng lượng, khí thải CO2 hiệu ứng nhà kính không?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled. Có giám sát tái chế rác và theo dõi nước tái chế không?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
M: Facility has a system in place for accurately measuring and monitoring consumption of key	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:

utilities of water, energy and natural resources that follows recognised protocols or standards Có hệ thống theo dõi và đo lường các chỉ số sử dụng: nước, năng lượng, các nguồn tài nguyên thiên nhiên dựa theo những tiêu chuẩn hiện hành		
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility Có kiểm tra bất kỳ nhà phụ hoặc đối tác kinh doanh nào hoạt động tại nhà máy đều có giấy phép và giấy phép phù hợp và đang tiến hành kinh doanh phù hợp với kỳ vọng về môi trường của nhà máy không?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
Usage/Discharge analysis – thông tin chỉ số môi trường (thống kê tổng chỉ số từ tháng 1 đến tháng 9)		
Criteria	Current year: Please state period: Tháng 1 đến 9 /2018	Previous Year: Please state period: Tháng 1 đến 12 năm 2017
Electricity Usage: điện Kw/hrs	3.013.495	3.388.209
Renewable Energy Usage: năng lượng Kw/hrs	-	-
Gas Usage: gas Kw/hrs	-	-
Has site completed any carbon Footprint Analysis? Có phân tích khí thải CO2 không?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state result		
Water Sources: nguồn nước (vd: sông, kênh rạch, nước khu công nghiệp/ thủy cục) Please list all sources e.g. lake, river, and local water authority.	Underground water License no 50/GP-UBND, date 4/9/2018	Underground water License no 50/GP-UBND, date 4/9/2018
Water Volume Used: chỉ số nước sử dụng (m³)	702.000 m³	833.040 m³
Water Discharged: đầu ra nước thải (thải ra đâu) Please list all receiving waters/recipients.	Suoi Can river	Suoi Can river
Water Volume Discharged: chỉ số nước thải (m³)	40 m3/day	30 m3/day
Water Volume Recycled: nước tái chế (m³)	60 m3/day	59 m3/day

Total waste Produced : tổng lượng rác (please state units)	530 kg/day	468 kg/day
Total hazardous waste Produced: tổng rác nguy hại (please state units)	17 kg/day	14 kg/day
Waste to Recycling: rác tái chế (please state units)	20 kg/day	18 kg/day
Waste to Landfill: rác sinh hoạt (please state units)	300 kg/day	250 kg/day
Waste to other: rác khác (phế liệu) (please give details and state units)	193kg/day	186kg/day
Total Product Produced: tổng sản lượng (please state units)	150 ton/day	120 ton/day

Environmental An: Business Ethics – 4-Pillar 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 company has designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

The company established a business ethics policy which was communicated to workers through posters and training.

The site had received and read the Business Ethics policy of the auditor/audit company.

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

The company business ethics policy including

☐ Bribery

☐ Corruption

Training records

Worker handbook

Reports from Anonymous email account

Non-compliance: Nil

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

Local law and/or ETI/Additional elements requirement:

Recommended corrective action:

Observation	
<p>Description of observation:</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details:</p> <p>there is a written policy on the need to avoid bribes and fraudulent practices</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues</p>	<p>No formal training given but relevant personnel know the policy</p>
<p>C: 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:</p> <p>examined each year by HR department and adjusted if needed</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>no discussion on this topic with 3rd parties</p>

Other findings

Other Findings Outside the Scope of the Code

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

Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p>	
<p><i>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</i></p>	<p><i>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</i></p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Human Rights	0.A. Human Rights
<p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
ETI 1. Forced Labour	ETI 1. Forced Labour
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

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

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

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

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









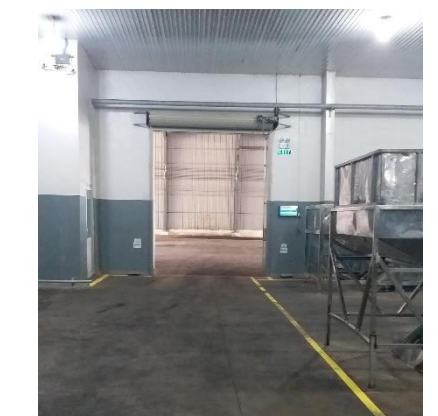
<p>10C. Compliance Requirements</p> <p>10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.</p> <p>10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type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

Adding Images To help keep the size of the Report as small as possible for ease of sending and saving the document we recommend that you use Microsoft Paint to resize your photos. To do so please follow these instructions:

- 1) To start Microsoft Paint, click 'Start', 'Programs', 'Accessories', then 'Paint'.
- 2) Open the image file you wish to edit.
- 3) Click the 'Image' Menu at the top and select "Stretch/Skew Image".
- 4) Choose a percentage figure to resize the image: to avoid distortion, choose the same percentage for horizontal and vertical stretch. Click OK.
- 5) Once you have the desired size, click File > Save As... (To prevent overwriting the original image).

Save As jpeg (this provides compression to make the file smaller).
6) Please delete this text once complete.

		
Factory – Gate	Office building	Factory outline
		
Production factory	Production area	Medical boxes
		
Production area	Production area	Exit lighting at Production area

		
Exit lighting at Production area	Fire equipment	Fire equipment
		
Fire pump	Water for fire pump	Raw material warehouse
		
Finish warehouse	Finish warehouse	Finish warehouse

		
Toilet	Toilet	Notice Board



For more information visit: Sedexglobal.com

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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http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d