




Sedex Members Ethical Trade Audit Report

Version 6.1



| Audit Details | | | |
|---|---|---|--|
| Sedex Company Reference: <i>(only available on Sedex System)</i> | ZC: 419479188 | Sedex Site Reference: <i>(only available on Sedex System)</i> | ZS: 419491419 |
| Business name (Company name): | Dai A Au Company Limited | | |
| Site name: | Dai A Au Company Limited | | |
| Site address: <i>(Please include full address)</i> | A4/26D Lien Ap 123 Street, Vinh Loc B Commune, Binh Chanh District, Ho Chi Minh City, Vietnam | Country: | Vietnam |
| Site contact and job title: | Mr. Tran Ngoc Tan - Director | | |
| Site phone: | ++84-0988-303-828 | Site e-mail: | daa138@yahoo.com |
| SMETA Audit Pillars: | <input checked="" type="checkbox"/> Labour Standards | <input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar) | <input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics |
| Date of Audit: | June 3, 2022 | | |

| | |
|---|--|
| <p>Audit Company Name & Logo:</p>  <p>BCI Compliance Group</p> | <p>Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Dai A Au Company Limited.</p> |
|---|--|

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

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Tran Quoc Tu APSCA number: RA21700492

Lead auditor APSCA status: RA

Team auditor: Kha Nguyen APSCA number: RA21704859

Interviewers: Tran Quoc Tu & Kha Nguyen
APSCA number: RA21700492 & RA21704859

Report writer: Tran Quoc Tu
Report reviewer: Juno Jiang (Reviewer)

Date of declaration: June 3, 2022

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

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

Summary of Findings

| Issue <i>(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.</i> | Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i> | | | | Record the number of issues by line*: | | | Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i> | |
|---|--|-------------------------------------|-------------------------------------|--------------------------|---------------------------------------|-----|----|---|---|
| | ETI Base Code | Local Law | Additional Elements | Customer Code | NC | Obs | GE | | |
| 0A | Universal Rights covering UNGP | | | <input type="checkbox"/> | <input type="checkbox"/> | | 1 | 0 | OB <ul style="list-style-type: none"> During the site tour we noted that suppliers were not required to sign a commitment to respect the human right, when signing business contracts with the facility. |
| 0B | Management systems and code implementation | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | <ul style="list-style-type: none"> None observed |
| 1. | Freely chosen Employment | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 0 | 0 | 0 | <ul style="list-style-type: none"> None observed |
| 2 | Freedom of Association | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 0 | 0 | 0 | <ul style="list-style-type: none"> None observed |
| 3 | Safety and Hygienic Conditions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 4 | 0 | 0 | <ul style="list-style-type: none"> Based on the facility tour and the management interview, we noted that doors of 4 out of 4 safety exits in the production workshop were sliding doors; however, all these doors were fixed open by locking devices during working hours. During the audit, we noted that the facility had not equipped 1 of the chemical tanks in the chemical |

| | | | | | | | | | | |
|---|--|--------------------------|--------------------------|--------------------------|--------------------------|----|----|----|-------------------------|---|
| | | | | | | | | | | <p>warehouse with a secondary container in case of leakage.</p> <ul style="list-style-type: none"> • During the audit, we noted that 1 of circuit breakers in the production workshop was not equipped with a safety cover to prevent electric shock. • During the audit we found that warning sign for 1 of the cutting machines in the production workshop was not in the local language. |
| 4 | <u>Child Labour</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 5 | <u>Living Wages and Benefits</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 6 | <u>Working Hours</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 7 | <u>Discrimination</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 8 | <u>Regular Employment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 8A | <u>Sub-Contracting and Homeworking</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 9 | <u>Harsh or Inhumane Treatment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 10A | <u>Entitlement to Work</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 10B2 | <u>Environment 2-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | NA | NA | NA | • <i>Not applicable</i> | |
| 10B4 | <u>Environment 4-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| 10C | <u>Business Ethics</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0 | 0 | 0 | • <i>None observed</i> | |
| General observations and summary of the site: | | | | | | | | | | |

- The products manufactured at this site are Plastic Bags manufacturing.
- This initial audit was conducted by BCI Compliance Group. Two auditors assessed the facility's operations against the ETI Base Code and local legislations. This was done on a sampling basis in one day (2 auditors on June 3, 2022).
- At 8:08 a.m. on June 3, 2022, the auditors entered the facility and then held the opening meeting according to the ETI Base Code and SMETA guidance. The facility representatives: Mr. Tran Ngoc Tan - Director, Ms. Tran Thi Le – HR Manager, and Ms. Nguyen Thi Ngoc Quynh – Chairman of Union, attended in the opening meeting. They stated that the facility was cooperative with this audit.
- At present, the facility has a total of 34 employees (19 female employees and 15 male employees). There are 26 production employees and 8 non-production employees. There are both male and female employees in management and among supervisors.
- The youngest employee on site was 20 years old (was born on August 22, 2001).
- There was no peak season as confirmed by the facility management.
- All workers said they were satisfied with their employment in the facility. They also said they could make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.
- 10 employees were randomly selected for interview; they were interviewed as 1 group of 4 employees and the balance of 6 employees were interviewed individually.
- Employees work for six (6) days a week in one shift and Sunday is designated as rest day. The production employees worked with 1 shift from 08:00 to 17:00 with 60 minutes break from 12:00 to 13:00.
- Time paper card system has been used to monitor working hours of the employees. Production employees' wages are calculated based on piece rate for all employees. Employees are paid by cash on the 5th of the following month. Pay slips are provided to employees for each pay period.
- The legal minimum wage was VND 4,420,000 in 2021 and all employees were paid above the minimum wage.
- Payroll records and attendance records for May 2021 to April 2022 were selected for review. 10 sampled employees' payrolls and attendance records from April 2022 (current month), January 2022 (random month), and November 2021 (random month) were selected for further checking on status of wages and working hours.
- Further, there is no case or any affected case of Covid-19 noted in facility up to audit date and the facility has good practice on protection as well as preventive measures for workers to avoid this pandemic and follows local authority's procedure and regulation. All visitors and employees must be measured temperature with records, wear masks, and wash hands with sanitizer before entering the facility as well as they must wear masks while working in the facility to prevent COVID-19.

**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: | Dai A Au Company Limited | | | | | | | |
| B: Site name: | Dai A Au Company Limited | | | | | | | |
| C: GPS location: (If available) | GPS Address: A4/26D Lien Ap 123 Street, Vinh Loc B Commune, Binh Chanh District, Ho Chi Minh City, Vietnam | Latitude: 10.77877 Longitude: 106.58270 | | | | | | |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | Business licence No. 0303954622, first issued on September 01, 2005, the last issued on September 27, 2016 (valid for 50 years). | | | | | | | |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc | Plastic Bags manufacturing | | | | | | | |
| F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings) | <p>Dai A Au Company Limited is located at A4/26D Lien Ap 123 Street, Vinh Loc B Commune, Binh Chanh District, Ho Chi Minh City, Vietnam. It has started its operation at this existing location since September 01, 2005. The total land area is about 2,900 square meters. There were 3 buildings located in the visited site.</p> <p>Building #1 is two-story building of 1,250 sq. meters and is 11 year old; 1F: printing workshop, cutting workshop, inspecting workshop, finished goods warehouse; 2F: not using.</p> <p>Building #2 is a one-story building of 400 sq. meters and is 11 year old; 1F: material warehouse and blowing workshop.</p> <p>Building #3 is a one-story building of 150 sq. meters and is 11 year old; 1F: office and clinic room.</p> <p>There were 34 employees working at the facility. The main production processes are listed as follows: Raw Materials, Blowing, Printing, Cutting, Inspecting and Packaging.</p> <p>All buildings were made of concrete and steels. There was no dormitory for workers in the facility.</p> <table border="1"> <thead> <tr> <th>Building No. 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>First Floor</td> <td>Printing workshop, cutting workshop, inspecting workshop, finished goods warehouse</td> <td>Concrete and steels</td> </tr> </tbody> </table> | | Building No. 1 | Description | Remark, if any | First Floor | Printing workshop, cutting workshop, inspecting workshop, finished goods warehouse | Concrete and steels |
| Building No. 1 | Description | Remark, if any | | | | | | |
| First Floor | Printing workshop, cutting workshop, inspecting workshop, finished goods warehouse | Concrete and steels | | | | | | |

| | | | | | | | | | | |
|---|--|---------------------|-------------|---------------------|----------------------------|--------------------------------------|---------------------|----------------------------|----|----|
| | <table border="1"> <tr> <td>Second Floor</td> <td>Not using</td> <td>Concrete and steels</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>NA</td> </tr> </table> | Second Floor | Not using | Concrete and steels | Is this a shared building? | No | NA | | | |
| Second Floor | Not using | Concrete and steels | | | | | | | | |
| Is this a shared building? | No | NA | | | | | | | | |
| | <table border="1"> <tr> <td>Building No. 2</td> <td>Description</td> <td>Remark, if any</td> </tr> <tr> <td>First Floor</td> <td>Material warehouse, blowing workshop</td> <td>Concrete and steels</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>NA</td> </tr> </table> | Building No. 2 | Description | Remark, if any | First Floor | Material warehouse, blowing workshop | Concrete and steels | Is this a shared building? | No | NA |
| Building No. 2 | Description | Remark, if any | | | | | | | | |
| First Floor | Material warehouse, blowing workshop | Concrete and steels | | | | | | | | |
| Is this a shared building? | No | NA | | | | | | | | |
| | <table border="1"> <tr> <td>Building No. 3</td> <td>Description</td> <td>Remark, if any</td> </tr> <tr> <td>First Floor</td> <td>Office and clinic room</td> <td>Concrete and steels</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>NA</td> </tr> </table> | Building No. 3 | Description | Remark, if any | First Floor | Office and clinic room | Concrete and steels | Is this a shared building? | No | NA |
| Building No. 3 | Description | Remark, if any | | | | | | | | |
| First Floor | Office and clinic room | Concrete and steels | | | | | | | | |
| Is this a shared building? | No | NA | | | | | | | | |
| | <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: NA</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: The site doesn't have a structural engineer evaluation.</p> <p>The facility provided the sufficiently legal construction documents:</p> <ul style="list-style-type: none"> - The Construction Permit 3123/UBND-GPXD, issue date: March 21, 2011 - The Pre-Acceptance Test of Construction Work, issue date: July 28, 2011 | | | | | | | | | |
| G: Site function: | <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor | | | | | | | | | |
| H: Month(s) of peak season: (if applicable) | There was no peak season | | | | | | | | | |
| I: Process overview: | The main products of the facility are Plastic Bags manufacturing. The main production processes are listed as | | | | | | | | | |

| | |
|---|---|
| <p><i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p> | <p>follows: Raw Materials, Blowing, Printing, Cutting, Inspecting and Packaging.</p> <p>The main machine list of the facility: Blowing machine, granule recycling machine, mixing machine, printing machine, draw frame machine, stacking machine, dividing machine, cutting machine, pressing machine, buttoning machine</p> |
| <p>J: What form of worker representation / union is there on site?</p> | <p><input checked="" type="checkbox"/> Union (name) Trade Union of Dai A Au Company Limited. <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p> |
| <p>K: Is there any night production work at the site?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> |
| <p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation Through the on-site audit, we confirmed that there was no on-site dormitory provided for the employees</p> |
| <p>M: Are there any off site provided worker accommodation buildings</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers Through the on-site audit, we confirmed that there was no off-site dormitory provided for the employees.</p> |
| <p>N: Were all site-provided accommodation buildings included in this audit</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details Through the on-site audit, we confirmed that there was no dormitory for employees in the facility.</p> |

| Audit Parameters | | | |
|--|---|---|---|
| A: Time in and time out | A1: Day 1 Time in: 8:08 A2: Day 1 Time out: 15:38 | A3: Day 2 Time in: NA A4: Day 2 Time out: NA | A5: Day 3 Time in: NA A6: Day 3 Time out: NA |
| B: Number of auditor days used: | 1.5 man-days (2 auditor on June 3, 2022) | | |
| C: Audit type: | <input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define | | |
| D: Was the audit announced? | <input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced | | |
| E: Was the Sedex SAQ available for review? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not? | | |
| F: Any conflicting information SAQ/Pre-Audit Info to Audit findings? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause | | |
| G: Who signed and agreed CAPR (Name and job title) | Mr. Tran Ngoc Tan - Director | | |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| I: Previous audit date: | N/A | | |
| J: Previous audit type: | N/A | | |
| K: Were any previous audits reviewed for this audit | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | | |

| Audit attendance | Management | Worker Representatives | |
|--|---|---|---|
| | Senior management | Worker Committee representatives | Union representatives |
| A: Present at the opening meeting? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| B: Present at the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| C: Present at the closing meeting? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i> | Not applicable. There is no worker representative in the facility. | | |
| E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i> | NA | | |

Worker Analysis

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

| Worker Analysis | | | | | | | | |
|--|-----------|-----------|--------|-----------|-----------|--------|--------------|-------|
| | Local | | | Migrant* | | | Home workers | Total |
| | Permanent | Temporary | Agency | Permanent | Temporary | Agency | | |
| Worker numbers – Male | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| Worker numbers – female | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 19 |
| Total | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 34 |
| Number of Workers interviewed – male | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Number of Workers interviewed – female | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Total – interviewed sample size | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |



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



| Worker Interview Summary | |
|--|---|
| A: Were workers aware of the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| B: Were workers aware of the code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| C: Number of group interviews: <i>(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)</i> | 1 group of 4 (There were no any COVID-19 patients or history in the facility) |
| D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i> | D1: Male: 2 D2: Female: 4 |
| E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details |
| 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? | None |
| I: What did the workers like the most about working at this site? | Stable working hours and payment, friendly management. |
| J: Any additional comment(s) regarding interviews: | None |
| K: Attitude of workers to hours worked: | Interviewed workers satisfied with the working |
| L. Is there any worker survey information available? | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: | |
| M: Attitude of workers: <i>(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</i> | |
| 10 employees were randomly selected for interview; they were interviewed as 1 group of 4 employees and the balance of 6 employees were interviewed individually. The employees were assured of | |

confidentiality, and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this facility and understood the notice period required. They had good relationship with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions adopted. They were able to complain directly to their supervisors and felt free to give their general concerns to their worker representatives who would take them to the management.

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

The Trade Union was cooperative and supportive during the audit. Based on the interview with the Trade Union Chairwoman, we noted that association activities were support by the facility management.

O: Attitude of managers:

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

The facility management showed a cooperative and supportive attitude during the audit. Auditors were allowed to visit all places in the facility. All documents requested were provided on time. At the closing meeting, all findings were accepted by the facility management.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The facility has a human right policy and it was posted on the bulletin board.
- Based on the documentary review, Ms. Tran Thi Le – HR Manager is responsible for monitoring the implementation of human right in the facility.
- Employees are communicated on the human right on the orientation training on an annual basis.
- The facility has a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
- Based on the employee interviews, all of employees were aware of human right.

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

Details:

- Human right policy
- Training record
- Employee interview

Any other comments: Nil

| | |
|--|---|
| <p>A: Policy statement that expresses commitment to respect human rights?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: It stipulates complying with ETI Code and respect human rights.</p> |
| <p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Tran Thi Le Job title: HR Manager</p> |
| <p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The facility had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.</p> |
| <p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details There was a grievance mechanism met UNGP requirement (e.g. Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement).</p> |
| <p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There was data privacy procedures for workers' information.</p> |

| Findings | | |
|---|---|--|
| <p>1.Finding: Observation <input checked="" type="checkbox"/></p> | <p>Company NC <input type="checkbox"/></p> | <p>Objective evidence observed:</p> |
| <p>Description of observation:</p> <p>During the site tour we noted that suppliers were not required to sign a commitment to respect the human right, when signing business contracts with the facility.</p> <p>Local law or ETI/Additional elements / customer specific requirement:</p> <p>ETI 0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensuring it is communicated to all appropriate parties, including its own suppliers.</p> <p>Comments:</p> <p>It is recommended that the suppliers shall be required to sign the commitment to follow the human right.</p> | | <p>1. The documentary review</p> |

Good examples observed:

Description of Good Example (GE): None observed

Objective Evidence Observed:
Not applicable

Measuring Workplace Impact

| Workplace Impact | | |
|--|---|----------------------------------|
| A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover) | A1: Last year: 2021 __2.8__ % | A2: This year: 2022 __2.6__ % |
| B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2] | 2.8% | |
| C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year | C1: Last year: 2021 __0__ % The facility did not have days lost through job absence in last year and this year. | C2: This year: 2022 __0__ % |
| D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month | 0% The facility did not have days lost through job absence in this year. | |
| E: Are accidents recorded? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accident was recorded by the Health and Safety Committee Representative. Accident records book was made and kept by HR Officers every day. | |
| F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers] | F1: Last year: 2021 Number: 0 | F2: This year: 2022 Number: 0 |
| G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers] | 0% | |
| H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers] | H1: Last year: 2021 0 | H2: This year: 2022 0 |
| I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months: | I1: 6 months __0__% workers | I2: 12 months __0__% workers |
| J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months: | J1: 6 months __0__% workers | J2: 12 months __0__% workers |

0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

- Based on the documentary review, Ms. Tran Thi Le – HR Manager is responsible for monitoring the implementation of ETI Code in the facility.
- Labor regulation is posted on the bulletin board.

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

Details:

1. Labor regulation is posted on the bulletin board
2. Approved Factory Internal Regulation, Social compliance Policies.

Any other comments: NIL

Management Systems:

| | |
|--|--|
| <p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: NA</p> |
| <p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility had the written policies on social corporate responsibility include the policy on forced labor, child labor, discrimination, harassment & abuse.</p> |
| <p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p> | <p>There was no child labor in the facility. During the documentary review, the worker interviews, and the facility tour, it was noted that youngest workers was 20 years old (was born on August 22, 2001). There was no reported case of forced labor, discrimination, harassment & abuse.</p> |

| | |
|--|---|
| <p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Terms of forced labor, child labor, discrimination, harassment & abuse were regulated in the internal regulation. The internal regulations were communicated to all employees by posting on the bulletin board.</p> |
| <p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: During interview with employees and management representative, it was noted that the managers and workers understood the terms of forced labor, child labor, discrimination, harassment & abuse which were regulated in the internal regulations.</p> |
| <p>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).</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The site did not have any internationally recognised system certifications.</p> |
| <p>G: Is there a Human Resources manager/department? If Yes, please detail.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: The HR department was in charge on recruitment, monitoring of working hours, termination process, health, safety, and environment. Accounting department was in charge of remaining issues.</p> |
| <p>H: Is there a senior person / manager responsible for implementation of the code</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Ms. Tran Thi Le – HR Manager, was assigned to implement the code.</p> |
| <p>I: Is there a policy to ensure all worker information is confidential?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The policy was established to ensure all workers information was confidential.</p> |
| <p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The procedure was established to ensure confidential information was kept.</p> |
| <p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The risk assessment was conducted to evaluate policy on December 6, 2021; records were well maintained.</p> |
| <p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |

| | |
|---|--|
| | L1 Please give details: The facility provided PPE and health and safety training to reduce identified risks. |
| M: Does the facility have a policy/code which require labour standards of its own suppliers? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had a policy/code which required labour standards of its own suppliers. |
| 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 N1: Please give details: The facility had all required land rights licenses and permissions. |
| O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The facility had systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title. |
| 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: The facility had a written policy and procedures specific to land rights. |
| Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility acquired and used the land according the legal procedure and project's requirement. |
| R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R1: Please give details: Not applicable, the facility did not have plan of land acquisition. |
| S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No illegal appropriation of land for facility building or expansion of footprint. |

| Non-compliance: | |
|---|--|
| <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>None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable <i>(where relevant please add photo numbers)</i></p> |

| Observation: | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good Examples observed: | |
|---|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective evidence observed: Not applicable</p> |

1: Freely Chosen Employment

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The facility has a policy which prohibits forced labour and this was available for review.
- There was a non-formalized application procedure which stated that workers must presented their ID cards for proof of age during the job interview and only copies must be kept in the personnel files and the original ones are given back to workers.
- No prison labour or forced labour was noted during the audit.
- The terms and conditions of employment in the handbook stated that workers were free to leave the workplace outside of their working hours.
- All the management staff and security guards were given respective job descriptions, which clearly stated their daily duties in compliance with the general concepts of the local laws.
- All 10 selected employees confirmed that they worked at the facility voluntarily and no enforcement to work overtime and the overtime forms were signed by workers before overtime performance.
- Employees' wages are calculated based on monthly rate for all employees. Employees are paid by cash on 5th of the following month. Pay slips are provided to employees for each pay period.

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

Details:

- Personnel files.
- Resignation records.
- Factory rules.
- Management and worker interview.
- Recruitment policy and announcement.

Any other comments: NIL

| | |
|---|--|
| <p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p> |
| <p>B: Is there any evidence of a loan scheme in operation</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p> |
| <p>C: Is there any evidence of retention of wages /deposits</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p> |

| | |
|---|--|
| D: Are there any restrictions on workers' freedom to terminate employment? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: There were no any restrictions on worker's freedom to terminate employment. |
| E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable E1: Please describe finding: |
| F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: There was no evidence of any restrictions on worker's freedoms to leave the site at the end of the work day. |
| G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The facility understood the risks of forced / trafficked / bonded labour in its supply chain. |
| H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The facility had recruitment procedure to reduce the risk of forced / trafficked labour. |

| Non-compliance: | |
|--|--|
| <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: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable (where relevant please add photo numbers)</p> |

| Observation: | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good Examples observed: |
|-------------------------|
|-------------------------|

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

Objective evidence observed:
Not applicable

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The Trade Union Dai A Au Company Limited was re-established on December 8, 2021 with 5 members.
- Based on the employee interview, all selected employees said they were given the full rights to join any legal and external associations, and all of them were union members. And they had all rights on wages and benefits and working conditions as others.
- Interviewed workers confirmed that the members of the workers committee had been elected by fellow workers.

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

Details:

- Minutes of the meeting.
- Site policy on freedom of association.
- Interview with workers.

Any other comments: NIL

| | |
|--|--|
| <p>A: What form of worker representation/union is there on site?</p> | <p><input checked="" type="checkbox"/> Union (name): Trade Union of Dai A Au Company Limited <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p> |
| <p>B: Is it a legal requirement to have a union?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>C: Is it a legal requirement to have a worker's committee?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> |
| <p>D: Is there any other form of effective worker/management communication channel? (Other</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please give details:</p> |

| | | |
|--|---|--|
| than union/worker committee e.g. H&S, sexual harassment) | D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility provided adequate facilities to allow the Union to conduct related business. | |
| F: Name of union and union representative, if applicable: | Trade Union of Dai A Au Company Limited | F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees? | NA | G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |
| H: Are all workers aware of who their representatives are? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| I: Were worker representatives freely elected? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | I1: Date of last election: December 8, 2021 |
| J: Do workers know what topics can be raised with their representatives? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| K: Were worker representatives/union representatives interviewed? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: One person of the Trade Union representative - The Trade Union chairwoman was interviewed | |
| L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i> | The Union would hold the meeting quarterly within at least 60 minutes per time. The meeting minutes were posted on the bulletin board for all employees' review. The meeting report was provided for review. The union fee will be deducted from monthly employees' salary with their agreement. The facility would also pay a certain amount for the Union activities monthly. The Union representatives are requested to involve and join all meetings related to employees' benefits/ wage and disciplinary action. The last meeting was held on January 20, 2022. | |
| M: Are any workers covered by Collective Bargaining Agreement (CBA)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| If Yes , what percentage by trade Union/worker representation | M1: <u>100</u> % workers covered by Union CBA | M2: <u>0</u> % workers covered by worker rep CBA |
| M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |

Non-compliance:

| | |
|--|---|
| <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: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable <i>(where relevant please add photo numbers)</i></p> |
|--|---|

| Observation: | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |
| Good Examples observed: | |
| <p>Description of Good Example (GE): None observed</p> | <p>Objective evidence observed: Not applicable</p> |

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management

- Ms. Tran Thi Le – HR Manager, has been assigned to be in charge of health, safety and environment issues in the facility.
- The general housekeeping is clean and tidy. The cleaning team with 2 persons are in charge of cleaning and hygiene of whole workshop building.
- Clean toilets with 3 toilet rooms for male and 6 toilet rooms for female are provided.

2. Fire Safety

- A total of 60 fire extinguishers, 2 fire alarm buttons, 2 fire hose reels, 16 smoke detectors, 2 beam detectors were installed in the facility.
- Warning signs of "No smoking" and "No fire" were posted in the facility.
- Through the facility tour, the evacuation maps are posted at all exit doors of each workshop floor.
- The firefighting equipment and system were inspected every year by the local firefighting department.
- The Firefighting & prevention (FFP) was approved by local police on March 30, 2021.
- The approval of Firefighting & prevention (FFP) design of building was submitted on May 30, 2011.
- The Pre-acceptance test of fire prevention and fighting system was issued on August 15, 2011.
- Through a detailed check of the factory's fire drill records, we found that both the date and the detailed results of these drills are clearly recorded; for example, it is recorded that the latest external fire drills performed in the factory workshops were held on February 24, 2022 and the latest internal fire drill were held on January 6, 2022, with the notation that the drills were successful and that all workers know how to act during an emergency evacuation. In addition, it took 180 seconds to evacuate all personnel during both fire drills. Furthermore, the factory plans to conduct a fire drill at the end of August 2022.
- Based on the facility tour and the management interview, we noted that doors of 4 out of 4 safety exits in the production workshop were sliding doors; however, all these doors were fixed open by locking devices during working hours

3. Electrical safety

- There were competent electricians at the site and their training certificates were available for review.

- During the audit, we noted that 1 of circuit breakers in the production workshop was not equipped with a safety cover to prevent electric shock.

4. Medical services

- 2 first aid kits were installed in the facility.
- The first aid team (4 members) were provided first aid training with certificates on March 24, 2022 with 1 year validation.
- All visitors and employees must be measured temperature with records, wear mask, and wash hands with sanitizer before entering the facility as well as they must wear mask while working in the facility to prevent COVID-19.
- The facility provided a health check to employee every year. The latest health check was conducted on November 29, 2021 & May 10, 2022.

5. Machine safety

- All machines were installed with safety guards.
- 2 air-compressor was inspected by authority on March 29, 2022 with 1 years validation.
- During the audit we found that warning sign for 1 of the cutting machines in the production workshop was not in the local language

6. Chemical safety

- MSDS in the local language for chemical was available in chemical storage area.
- PPE was provided for employees who work with chemicals.
- Eye-wash machine was provided in the chemical warehouse; moreover, it is functional during testing.
- During the audit, we noted that the facility had not equipped 1 of the chemical tanks in the chemical warehouse with a secondary container in case of leakage

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

Details:

- Health and safety procedures, instructions, and training records.
- First aid training records, accident records, medical check-up records.
- Firefighting and prevention project, fire drill and firefighting training records.
- Drinking water test records.
- Maintenance plan and records for machines, firefighting equipment, electricity.
- Chemical handling, storage procedures
- Machine inspection certificates.
- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Trained first aider register
- Interviews with workers and H&S committee members
- Accident reports
- Potable water testing certificates
- Interviews with H&S manager

Any other comments: NIL

A: Does the facility have general and occupational Health & Safety policies

- Yes
 No

| | |
|--|--|
| and procedures that are fit for purpose and are these communicated to workers? | A1: Please give details: The general Health & Safety and occupational Health & Safety policy was established and available for review. |
| B: Are the policies included in workers' manuals? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: During the documentary review and the worker interviews, we noted that the worker was provided with the employee's manual and the training before working in the facility. |
| C: Are there any structural additions without required permits/inspections (e.g. floors added)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: |
| D: Are visitors to the site informed on H&S and provided with personal protective equipment | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: All visitors were required to wear provided PPE during the facility tour. |
| E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The facility has a medical room and signed the contract with the hospital to take care the health of employee |
| F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: The facility has a medical room and signed the contract with the hospital to take care the health of employee. The first aid team (4 members) were provided first aid training with certificates on March 24, 2022 with 1 year validation |
| G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The facility did not provide worker transport. |
| H: Is secure personal storage space provided for workers in their living space and is fit for purpose? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Each worker was provided with a locker to keep the personal item. |
| I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The latest risk assessment was conducted on January 6, 2022 with 1 year validation. |
| J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The meeting was conducted on a monthly basis. |
| K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility does not use any banned chemicals. |

Non-compliance:

1. Description of non-compliance:

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

Based on the facility tour and the management interview, we noted that doors of 4 out of 4 safety exits in the production workshop were sliding doors; however, all these doors were fixed open by locking devices during working hours.

Local law and/or ETI requirement

In accordance with the QCVN 06/2020 Vietnam Building Code on Fire Safety of Buildings point 3.2.3 in regard to fire prevention regulation it requires that exit door on the way out must be opened outward, and that electric rolling door (arch), revolving door and sliding doors are not accepted for emergency exit

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

Recommended corrective action:

It is recommended that all emergency exit doors shall be open outward to facilitate an emergency evacuation in the event of any accident or fire.

Action by: Mr. Tran Ngoc Tan - Director

Timescale: 30 days

2. Description of non-compliance:

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

During the audit, we noted that the facility had not equipped 1 of the chemical tanks in the chemical warehouse with a secondary container in case of leakage.

Local law and/or ETI requirement

In accordance with Law No. 06/2007/QH12 on Chemicals, Article 28. Packaging of chemicals

1. Packages of marketed chemicals must meet the following requirements: a/ Satisfying requirements on classification and labelling of chemicals specified in Article 27 of this Law; b/ Preventing leakage and dispersal of chemicals in the process of transportation, preservation or storage; c/ Not being corroded or destroyed by contained chemicals; d/ Complying with technical regulations on packaging promulgated by competent agencies or with international standards announced by competent state agencies for application

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

Objective evidence observed:

(where relevant please add photo numbers)

1. The factory tour
(Kindly refer Photo #1)

2. The factory tour
(Kindly refer Photo #2)

Recommended corrective action:

It is recommended that the facility shall equip all chemicals with secondary containers in case of leakage..

Action by: Mr. Tran Ngoc Tan - Director

Timescale: 60 days

3. Description of non-compliance:

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

During the audit, we noted that 1 of circuit breakers in the production workshop was not equipped with a safety cover to prevent electric shock..

Local law and/or ETI requirement

In accordance with Law No. 28/2004/QH11, Article 57. Safety in use of electricity for production

1. Organizations and individuals using electricity for production must comply with the regulations on electric safety, regulations and technical standards on electric safety must conform to Vietnamese standards. 2. Electric equipment, systems of electric equipment, lightning-arresting and earthed systems must be pre-acceptance tested, periodically and extraordinarily checked according to the electric safety regulations and technical standards. The diagrams of these systems must be compatible with actual positions and be archived together with inspection minutes throughout the course of operation. 3. The internal transformer stations, high-voltage equipment and transmission lines must be installed and managed according to electric safety regulations and technical standards. 4. Electric equipment must conform to "Vietnamese Standard - Low-Voltage Electric Equipment - General Requirements on Protection against Electric Shocks" and " Vietnamese Standard - Regulations on Earth-Connection and Air-Connection of Electric Equipment" to prevent electric shocks

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

Recommended corrective action:

It is recommended that the facility shall equip all circuit breakers with safety covers..

Action by: Mr. Tran Ngoc Tan - Director

Timescale: 30 days

4. Description of non-compliance:

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

During the audit we found that warning sign for 1 of the cutting machines in the production workshop was not in the local language.

Local law and/or ETI requirement

In accordance with LAW ON OCCUPATIONAL SAFETY AND HYGIENE 84/2015/QH13 Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace

3. The factory tour
(Kindly refer Photo #3)

4. The factory tour
(Kindly refer Photo #4)

| | |
|--|--|
| <p>6. There are warning and instruction signs made in Vietnamese and popular language of employees in relation to occupational safety and hygiene for machinery, equipment, materials and substances that having strict safety and hygiene requirements at the workplace, preservation places, usage places that are placed at obvious locations</p> <p>In accordance with ETI Code 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment</p> <p>Recommended corrective action: It is recommended that the facility shall label all warning signs in the local language..</p> <p>Action by: Mr. Tran Ngoc Tan - Director Timescale: 30 days</p> | |
|--|--|

| Observation: | |
|--|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good Examples observed: | |
|--|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- There was a procedure for checking ages of workers at application stage, and this included checking original ID cards while workers attended the job interview and their original ID cards were copied and given back to them whilst only copies were kept in their personnel file.
- Based on the provided copies of national ID cards of employees, none showed child labor. The youngest worker present was age 20 years. (was born on August 22, 2001)

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

Details:

- Personnel files of 10 selected employees.
- Latest list of employees.
- Policy on non-child labor.
- Recruitment procedure.

Any other comments: NIL

| | |
|--|--|
| A: Legal age of employment: | 15 years old |
| B: Age of youngest worker found: | 20 years old (was born on August 22, 2001) |
| C: Are there children present on the work floor but not working at the time of audit? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: % of under 18's at this site (of total workers) | 0 % |
| E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details |

| Non-compliance: | |
|---|--|
| <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: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable (where relevant please add photo numbers)</p> |

| Observation: | |
|---|--|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good Examples observed: | |
|--|--|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

5: Living Wages are Paid

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Production employees' wages are calculated based on the piece rate for all employees. Employees are paid by cash on the 5th of the following month. Pay slips are provided to employees for each pay period.
- All employees are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Employees are paid at 150% of wage for normal overtime.
- The 12 days of annual leave is sufficiently provided to all direct production employees.
- Total ten (10) holidays are provided and paid to all employees in the year.
- The sick and maternity leave allowance is paid correctly to all employees in timely basic.
- The severance allowance, wages and entitled benefits have been paid correctly to the resigned employees in compliance with local law.
- The maternity leave of 6 months was provided to all female pregnant employees with full pay.

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

Details:

- Approved wage scale.
- The payrolls and attendance records from May 2021 to April 2022 (12 months).
- Annual leave records from May 2021 to April 2022 (12 months).
- Leave applicant records from May 2021 to April 2022 (12 months).
- Employee files and labour contracts of selected employees

Any other comments: NIL

Non-compliance:

1. Description of non-compliance:

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

Objective evidence observed: Not applicable

| | |
|--|---|
| <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p><i>(where relevant please add photo numbers)</i></p> |
|--|---|

| | |
|---|---|
| Observation: | |
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| | |
|--|---|
| Good Examples observed: | |
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

Summary Information

| Criteria | Local Law <i>(Please state legal requirement)</i> | Actual at the Site <i>(Record site results against the law)</i> | Is this part of a Collective Bargaining Agreement? |
|--|--|---|---|
| A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i> | Legal maximum: 8 hours per day 48 hours per week | A1: 8 hours per day 48 hours per week | A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i> | Legal maximum: 4 hours per day 30 hours per month in 2020 40 hours per month before April 2022 60 hours per month since April 2022 | B1: 0 hours per day 0 hours per month | B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i> | Legal minimum: VND 4,420,000 per month. | C1: VND 4,641,000 per month | C2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i> | Legal minimum: 150% of normal wage for overtime on weekdays, 200% of the normal | D1: 150% of normal wage for overtime on weekdays, 200% of the normal wage | D2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

| | | | |
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| | wage for overtime time on rest days, and 400% of normal wage for overtime on holidays | for overtime time on rest days, and 400% of normal wage for overtime on holidays | |
|--|---|--|--|

| 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 |
| A1: If No , why not? | NA |
| B: Sample Size Checked <i>(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)</i> | 10 selected samples in April 2022 (current month) 10 selected samples in January 2022 (random month) 10 selected samples in November 2021 (random month) |
| C: Are there different legal minimum wage grades? If Yes , please specify all. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes , please give details: NA |
| D: If there are different legal minimum grades, are all workers graded and paid correctly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A D1: If No , please give details: NA |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? | <input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> 100% total workforce were earning above minimum wage (3,920,000) |
| F: Please indicate the breakdown of workforce per earnings: | F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100_ % of workforce earning above minimum wage |
| G: Bonus Scheme found: Please specify details: | Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> - Free lunch - Childcare allowance: 20,000 VND per month |
| H: What deductions are required by law e.g. social insurance? Please state all types: | Employees should pay and be deducted from their monthly salary for insurance such as social insurance: 8%, health insurance: 1.5% and unemployment insurance: 1% (total 10.5%) |

| | | | |
|--|---|--|---|
| I: Have these deductions been made? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | I1: Please list all deductions that have been made. | 1. Social insurance 2. Medical insurance 3. Unemployment insurance Please describe: Compulsory insurances. |
| | | I2: Please list all deductions that have not been made. | 1. Meal allowance Please describe: NA |
| J: Were appropriate records available to verify hours of work and wages? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| K: Were any inconsistencies found? (if yes describe nature) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence: | |
| L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | L1: Please give details: During the worker interviews, they confirmed that they were paid according with the working time in facility. | |
| M: Is there a defined living wage: <i>This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | M1: Please specify amount/time: NA | |
| M2: If yes, what was the calculation method used. | <input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: | | |
| N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income). | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | N1: Please give details: During the documentary review, the worker interviews and as confirmed by the facility management, we confirmed that the facility reviewed the wage of the employees in compliance with the local law. | |
| 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 | | |

| | |
|---------------------------------|---|
| | <p>P1: Please give details: Through the factory rules review, payroll records review and employees interviews, we confirmed that equal rates are being paid for equal work.</p> |
| <p>Q: How are workers paid:</p> | <p> <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain: </p> |

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Employees work for six (6) days a week in one shift and Sunday is designated as rest day. The production employees worked with 1 shift from 08:00 to 17:00 with 60 minutes break from 12:00 to 13:00.
- There was no peak season.
- Employees worked overtime voluntarily.
- Based on the provided payrolls and time records, the working hours were noted as following:
 - In April 2022 (Recent month): Average working hours per week were 48 hours. Maximum weekly working hours were 52 hours (48 normal hours + 0 overtime hours).
 - In January 2022 (Random month): Average working hours per week were 48 hours. Maximum weekly working hours were 52 hours (48 normal hours + 0 overtime hours).
 - In November 2021 (Random month): Average working hours per week were 48 hours. Maximum weekly working hours were 52 hours (48 normal hours + 0 overtime hours).
 -

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

Details:

- Employee interview
- Management interview
- Local and national laws
- Facility policy on working hours
- Time records from May 2021 to April 2022 (12 months).
- Pay slips with recorded hours all workers interviewed
- Workers contracts
- Quality and production records to cross check hours
- Daily production records
- Security logbooks

Any other comments: NIL

| Non-compliance: | |
|---|--|
| <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>None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable <i>(where relevant please add photo numbers)</i></p> |

| Observation: | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good Examples observed: | |
|--|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

| Working hours' analysis | |
|--|--|
| <i>Please include time e.g. hour/week/month (Go back to Key information)</i> | |
| Systems & Processes | |
| <p>A. What timekeeping systems are used: time card etc.</p> | <p><i>Describe: Paper timecard</i></p> |

| | | |
|--|---|---|
| B: Is sample size same as in wages section? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details | |
| C: Are standard/contracted working hours defined in all contracts/employment agreements? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A | |
| D: Are there any other types of contracts/employment agreements used? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If YES, please complete as appropriate: | |
| | <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other | |
| | If "Other", Please define: | |
| | N/A | |
| E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A | |
| F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period? | F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: | F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| | Maximum number of days worked without a day off (in sample): | |
| | 6 days | |
| Standard/Contracted Hours worked | | |
| G: Were standard working hours over 48 hours per week found? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: If yes, % of workers & frequency: | |
| | N/A | |
| H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: If yes, please give details: | |
| | N/A | |
| Overtime Hours worked | | |

| | | |
|--|--|---|
| I: Actual overtime hours worked in sample (State per day/week/month) | Highest OT hours: - daily: 0 hours, weekly: 0 hours, monthly: 0 hours in April 2022 (Recent month) - daily: 0 hours, weekly: 0 hours, monthly: 0 hours in January 2022 (Random month) - daily: 0 hours, weekly: 0 hours, monthly: 0 hours in November 2021 (Random month) | |
| J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| K: Approximate percentage of total workers on highest overtime hours: | __68__% | |
| L: Is overtime voluntary? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information | L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: We verified during the documents review that this is mentioned in the workers' handbook, internal policies and was confirmed during the workers' interviews as well. |
| 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 | M1: Please give details of normal day overtime premium as a % of standard wages: 150% of normal wage for overtime on weekdays |
| N: Is overtime paid at a premium? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | N1: If yes, please describe % of workers & frequency: Employees are paid at the rate of 150% for overtime working hours. |
| O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. | <input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other | |
| | O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other | |
| | 150% of normal wage for overtime on weekdays, 200% of the normal wage for overtime time on rest days, and 400% of normal wage for overtime on holidays | |

| | |
|--|---|
| <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.</p> | <p><input type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <hr/> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>NA</p> |
| <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> | <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Q1: If yes, please give details:</p> |
| <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> | <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> |

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- Based on the employee interviews and the management interview, there is no evidence of any discriminatory practices based on the race, religion, age, nationality, social association, sexual orientation, gender or disability.
- During the audit, all 10 selected employees confirmed that they were treated with respect and dignity.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Policy on non-discrimination was available for review.
- Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
- There was an internal grievance process, and all interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
- There was no evidence of sexual harassment.

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

Details:

- The hiring and termination procedure and leave application records.
- Payrolls.
- Training records.
- Attendance records.
- Termination records.

Any other comments: NIL

| | |
|--|---|
| A: Gender breakdown of Management + Supervisors (Include as one combined group) | A1: Male: <u>50</u> % A2: Female <u>50</u> % |
| B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst: | 19 |
| C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?: | <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement |

| | |
|--|---|
| | <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: |
|--|---|

Professional Development

| | |
|---|---|
| A: What type of training and development are available for workers? | Health safety, fire drill, first aid, internal/ external training to increase skill (if any). |
|---|---|

| | |
|--|---|
| B: Are HR decisions 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: | |
|--|---|
| 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: None observed Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable (where relevant please add photo numbers) |

| Observation: | |
|--|--|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| Good Examples observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective Evidence Observed: Not applicable |

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

- Based on the documentary review and the employee interviews, we noted that all employees were interviewed and hired directly by the facility. They were given an orientation training on the facility rules and regulations including labour issues, wages and benefits, working time, and health and safety. Labour contract was signed by both employee and employer after employee's probation period was passed.
- All workers were not required to sign blank papers, resignation letter, etc.

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

Details:

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

Any other comments: NIL

Non-compliance:

| | |
|---|--|
| <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: None observed</p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable (where relevant please add photo numbers)</p> |
|---|--|

| Observation: | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good Examples observed: | |
|--|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</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>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: NA</p> |
| <p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected: NA</p> |

| | |
|----------------------------------|--|
| C: If yes, check all that apply: | <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: |
| D: If any checked, give details: | NA |

| Migrant Workers: | |
|---|--|
| <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i> | |
| A: Type of work undertaken by migrant workers: | We confirmed that there was no migrant worker. |
| B: Please give details about recruitment agencies for migrant workers: | B1: Total number of (in country recruitment agencies) used: NA B2: Total number of (outside of local country) recruitment agencies used: NA |
| C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker? | <input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA C2: Observations: |
| D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i> | <input type="checkbox"/> Yes <input type="checkbox"/> No NA D1: If yes, number and example of roles: |

NON-EMPLOYEE WORKERS

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

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

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

- A site tour showed that all production processes were presented in the facility.
- No sub-contracting and homeworking used by the facility.

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

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

Details: NIL

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
- NC against customer code:
- None observed

Local law and/or ETI /Additional Elements requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence

observed: Not applicable
(where relevant please add photo numbers)

Observation:

Description of observation: None observed

Local law or ETI/Additional elements requirement: Not applicable

Comments: Not applicable

Objective evidence

observed:
Not applicable

| Good Examples observed: | |
|---|---|
| Description of Good Example (GE): None observed | Objective Evidence Observed: Not applicable |

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

| Summary of homeworking – if applicable | | | |
|---|---|----------------|--|
| <input checked="" type="checkbox"/> Not Applicable please x | | | |
| A: If homeworking is being used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details: | | |
| B: Number of homeworkers | B1: Male: NA | B2: Female: NA | Total: NA |
| C: Are homeworkers employed direct or through agents? | <input type="checkbox"/> Directly <input type="checkbox"/> Through Agents Not applicable | | C1: If through agents, number of agents: |
| D: Is there a site policy on homeworking? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable | | |

| | |
|---|---|
| E: How does the site ensure worker hours and pay meet local laws for homeworkers? | Not applicable |
| F: What processes are carried out by homeworkers? | Not applicable |
| G: Do any contracts exist for homeworkers? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable G1: Please give details: |
| H: Are full records of homeworkers available at the site? | <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable |

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

ETI

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

| | |
|---|---|
| <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 3rd party?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Any violations of labour standards and H&S or any other grievances can be reported to the Trade Union representative or the local authority on labour. 1 suggestion boxes were installed in the workshop for reporting any violations of labour standards and H&S or any other grievances to a 3rd party.</p> |
| <p>B: If Yes, are workers aware of these channels and have access? Please give details.</p> | <p>During interview with employees and Trade Union representative, we confirmed that workers know how to report violations of Labour standards and H&S or any other grievances.</p> |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p> | <p>Suggestion box Verbal exchange Trade Union discussion</p> |
| <p>D: Which of the following groups is there a grievance mechanism in place for?</p> | <p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: There is an internal process for grievance, a grievance box was installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and most of workers knew about this.</p> |
| <p>E: Are there any open disputes?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p> |
| <p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p> |
| <p>G: Is there a published and transparent disciplinary procedure?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p> |

| | |
|---|---|
| H: If yes, are workers aware of these the disciplinary procedure? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details |
| I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details |

Current Systems and Evidence Examined

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

Current systems:

- Based on the documentation review, it was noted that the facility management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site had developed a training program for all employees on the procedure. Interviewed workers confirmed that workers were aware of the disciplinary procedure.
- There was an internal process for grievance, two grievance boxes were installed in the workshop, where workers could report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed and most of workers were aware of it.
- Through the facility management and the employee interviews, it was noted that no case of abuse or discipline was happened in the facility.

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

Details:

- The policy on non-harassment & abuse and related procedure.
- Training records.
- Procedure on grievance handling and related records.

Any other comments: NIL

Non-compliance:

| | |
|---|---|
| <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: None observed </p> <p>Local law and/or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable (where relevant please add photo numbers)</p> |
|---|---|

Observation:

| | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |
|---|---|

| <p align="center">Good Examples observed:</p> | |
|--|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

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

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

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

- Per documentary review, the facility management representation interview, and the worker interview, we noted that all workers in the facility were Vietnamese. Around 90% employees were from the facility located area, and 5% were from other areas.
- All workers had the proper legal rights to work in this region.
- The youngest age was 20 years old (was born on August 22, 2001).
- All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
- No agency staff or foreign worker was used by the facility.

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

Details:

- Hiring procedure.
- Personnel files.

Any other comments: NIL

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
 None observed

Local law and/or ETI /Additional Elements requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence observed: Not applicable
 (where relevant please add photo numbers)

Observation:

| | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |
|---|---|

| | |
|--|---|
| <p>Good examples observed:</p> | |
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

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

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- Working environment monitoring was conducted on March 23, 2022.
- Environment Impact Assessment Report was re-approved on November 18, 2016.
- The list of hazardous waste was approved by authority on January 24, 2022.
- Based on the facility tour, it is observed that general housekeeping in the production areas are in good conditions and organizations.
- Based on interviewed employees, all of employees satisfied with the environmental conditions of the facility.

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

Details:

- Policy on environment protection.
- Energy & water bills.

- Workers and management interview.
 - Facility observation.

Any other comments: Nil

| Non-compliance: | |
|---|---|
| <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: None observed</p> <p>Local law and/or ETI /Additional Elements requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable <i>(where relevant please add photo numbers)</i></p> |

| Observation: | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good examples observed: | |
|--|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

| Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i> | |
|---|---|
| A: Is there a manager responsible for Environmental issues (Name and Position): | Mr. Tran Ngoc Tan - Director |
| B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: - Environment Impact Assessment Report was re-approved on November 18, 2016. - The list of hazardous waste was approved by authority on January 24, 2022 |
| C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: During the audit we confirmed that the factory has no recognised environmental system certification. |
| D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? During the audit it was noted that the facility has posted the Environmental policy on the bulletin board for employees review. |
| E: If yes, does it address the key impacts from their operations and their commitment to improvement? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Waste classification at the source, turn off electricity if not needed. |
| F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: NA |
| H: Have all legally required permits been shown? Please give details. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: - Environment Impact Assessment Report was re-approved on November 18, 2016. - The list of hazardous waste was approved by authority on January 24, 2022 |
| I: Is there a documentation process to record hazardous chemicals used in the manufacturing process? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A I1: Please give details: There is no hazardous chemical being used in facility. |
| J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Ms. Tran Thi Le is in charge of checking client's requirements and legislation regarding environmental every month. |

| | |
|---|---|
| K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Turn off electricity if not needed |
| L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: The facility did not have evidence of waste recycling and is monitoring volume of waste that is recycled. |
| M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standard. |
| N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details: The facility did not have 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. |

Usage/Discharge analysis

| Criteria | Previous year: Please state period: January 2021 to December 2021 | Current Year: Please state period: January 2022 to April 2022 |
|--|--|--|
| Electricity Usage: Kw/hrs | 584,840 Kw/h | 177,384 Kw/h |
| Renewable Energy Usage: Kw/hrs | 0 kw/h | 0 kw/h |
| Gas Usage: Kw/hrs | 0 kw/h | 0 kw/h |
| Has site completed any carbon Footprint Analysis? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If Yes , please state result | | |
| Water Sources: Please list all sources e.g. lake, river, and local water authority. | <ul style="list-style-type: none"> Local water authority | <ul style="list-style-type: none"> Local water authority |
| Water Volume Used: (m ³) | 374 m ³ | 120 m ³ |
| Water Discharged: Please list all receiving waters/recipients. | <ul style="list-style-type: none"> After wastewater being treated, it was discharged into urban drainage system | <ul style="list-style-type: none"> After wastewater being treated, it was discharged into urban drainage system |

| | | |
|--|--------------------|-------------------|
| Water Volume Discharged: (m ³) | 299 m ³ | 96 m ³ |
| Water Volume Recycled: (m ³) | 0 m ³ | 0 m ³ |
| Total waste Produced (please state units) | 936 kg | 320 kg |
| Total hazardous waste Produced: (please state units) | 2 kg | 0.6 kg |
| Waste to Recycling: (please state units) | 0 | 0 |
| Waste to Landfill: (please state units) | 0 | 0 |
| Waste to other: (please give details and state units) | 0 | 0 |
| Total Product Produced (please state units) | 825,000 kg | 249,000 kg |

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- The Business Ethics policy concerning bribery, corruption, or unethical Business Practice was issued on 2 January 2022. The facility was conducted a training for all employees to clearly understand about the Business Ethics policy.
- The facility has a transparent system in place for confidentially reporting and dealing with unethical Business Practices without fear of reprisals towards the reporter.
- The supplier forbids all means of bribery, corruption or ethical issues in the operation of the supplier.
- The facility was assigned Ms. Tran Thi Le – HR Manager is responsible person for Business Practices, integrity/ ethical issues
- The facility issued the procedure to control and handle of grievances. There were 2 feedback channels that allow employees to report integrity/ ethical issues including suggestion boxes and directly.

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

Details:

- Business Practices policy
 - Training records

Any other comments: Nil

| Non-compliance: | |
|---|--|
| <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: None observed</p> <p>Local law and/or ETI /Additional Elements requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p> | <p>Objective evidence observed: Not applicable (where relevant please add photo numbers)</p> |

| Observation | |
|---|---|
| <p>Description of observation: None observed</p> <p>Local law or ETI/Additional Elements requirement: Not applicable</p> <p>Comments: Not applicable</p> | <p>Objective evidence observed: Not applicable</p> |

| Good examples observed: | |
|--|---|
| <p>Description of Good Example (GE): None observed</p> | <p>Objective Evidence Observed: Not applicable</p> |

| | |
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| <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 checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The supplier forbids all means of bribery, corruption or ethical.</p> |
| <p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The training was provided to relevant personnel (e.g. sales and logistics) on business ethics issues.</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> |

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| | <p>C1: Please give details: Business Ethics Policy was reviewed as needed by the facility management.</p> |
| <p>D: Does the site require third parties including suppliers to complete their own business ethics training</p> | <p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>D1: Please give details: The facility sent the Codes of Conduct regarding to receiving of offering gifts and entertainment, etc with business partners to all suppliers.</p> |

Other findings

Other Findings Outside the Scope of the Code

None

Community Benefits

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

None

Appendix 1

| | |
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| <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 style="text-align: center;"><input checked="" type="checkbox"/> Not Applicable please x</p> | |
| <p>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.</p> | <p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p> |
| <p>ETI Code / Additional Elements</p> | <p>Customer's Supplier Code equivalent</p> |
| <p>0.A. Universal Rights covering UNGP</p> | <p>0.A. Universal Rights covering UNGP</p> |
| <p>0.A. Guidance for Observations 0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers. 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights 0.A.3 Businesses shall identify their stakeholders and salient issues. 0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights. 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation. 0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p> | |
| <p>0.B. Management Systems & Code Implementation</p> | <p>0.B. Management Systems & Code Implementation</p> |
| <p>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.</p> | |

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| <p>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.</p> | |
| <p>ETI 1. Forced Labour</p> | <p>ETI 1. Forced Labour</p> |
| <p>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.</p> | |
| <p>ETI 2. Freedom of association and the right to collective bargaining are respected</p> | <p>ETI 2. Freedom of association and the right to collective bargaining are respected</p> |
| <p>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.</p> | |
| <p>ETI 3. Working conditions are safe and hygienic</p> | <p>ETI 3. Working conditions are safe and hygienic</p> |
| <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. 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.</p> | |

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| <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p> | |
| <p>ETI 4. Child labour shall not be used</p> | <p>ETI 4. Child labour shall not be used</p> |
| <p>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.</p> | |
| <p>ETI 5. Living wages are paid</p> | <p>ETI 5. Living wages are paid</p> |
| <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. 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.</p> | |
| <p>ETI 6. Working Hours are not excessive</p> | <p>ETI 6. Working Hours are not excessive</p> |
| <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. 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</p> | |

| | |
|---|---|
| <p>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 all 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> | |
| <p>ETI 7. No discrimination is practised</p> | <p>ETI 7. No discrimination is practised</p> |
| <p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p> | |
| <p>ETI 8. Regular employment is provided</p> | <p>ETI 8. Regular employment is provided</p> |
| <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 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> | |

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| <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> | |
| <p>8A: Sub-Contracting and Homeworking</p> | <p>8A: Sub-Contracting and Homeworking</p> |
| <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> | |
| <p>ETI 9. No harsh or inhumane treatment is allowed</p> | <p>ETI 9. No harsh or inhumane treatment is allowed</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> | |
| <p>10. Other Issue areas: 10A: Entitlement to Work and Immigration</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>10. Other issue areas 10B2: Environment 2-Pillar</p> | |
| <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> | |

Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

| 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> | |

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

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

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

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

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

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

10C. Guidance for Observations

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

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

Photo Form

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.

A. Non-Compliance Photos:

| | | |
|--|---|--|
| | | |
| <p>Photo #1: The Door of 1 of the Safety Exits in the Production Workshop, a Sliding Door</p> | <p>Photo #2: 1 of the Chemical Tanks in the Chemical Warehouse, Not Equipped with a Secondary Container in Case of Leakage</p> | <p>Photo #3: 1 of the Circuit Breakers in the Production Workshop, Not Equipped with a Safety Cover</p> |
| | | |
| <p>Photo #4: The Warning Sign for 1 of the Cutting Machines in the Production Workshop, Not in the Local Language</p> | | |

B. General Facility Tour Photos:

| | | |
|---------------------------------------|------------------------------------|--------------------------------|
| | | |
| <p>The Name Board of the Facility</p> | <p>The Main Gate</p> | <p>The Production Building</p> |
| | | |
| <p>The Attendance Recorder</p> | <p>The Raw Materials Warehouse</p> | <p>The Blowing Workshop</p> |
| | | |
| <p>The Printing Workshop</p> | <p>The Cutting Workshop</p> | <p>The Inspecting Workshop</p> |



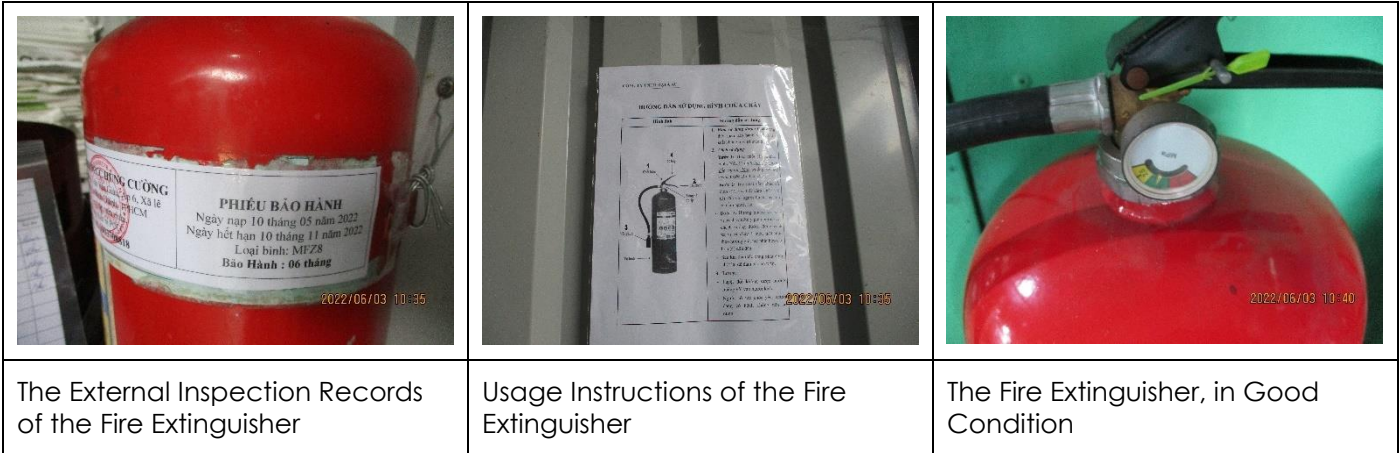
The Finished Goods Warehouse The Suggestion Box A Fire Alarm Box



Visible Sign for Fire Alarm A Fire Alarm Box, Inspected by the Internal Team Fire Extinguishers #1



Fire Extinguishers #2 Visible Sign for Fire Extinguisher The Internal Inspection Records of the Fire Extinguisher



The External Inspection Records of the Fire Extinguisher

Usage Instructions of the Fire Extinguisher

The Fire Extinguisher, in Good Condition



Fire Hose

The Fire Hose, in Good Condition


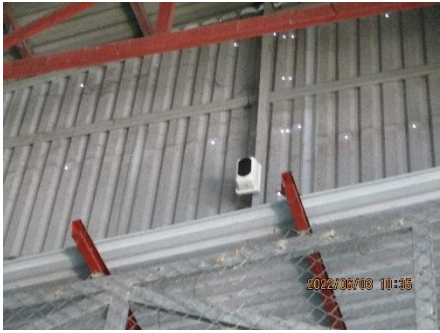
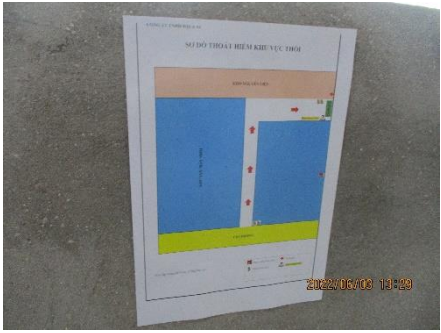






Fire Hose, Checked by Internal Team

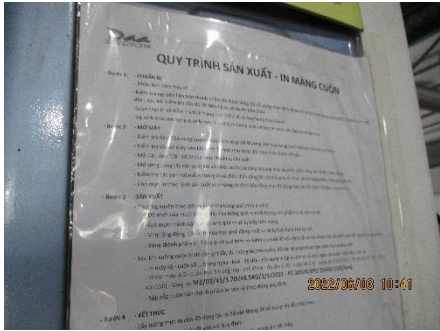
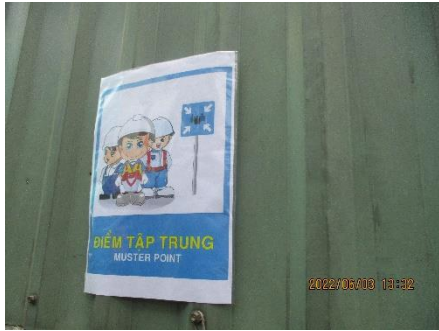









Visible Sign for Fire Hose










Emergency lighting and Exit Sign #1

Emergency lighting and Exit Sign #2

| | | |
|---|--|---|
|  <p>2022/06/03 10:41</p> |  <p>2022/06/03 10:39</p> |  <p>2022/06/03 10:39</p> |
| <p>Exit Sign, Checked by Internal Team</p> | <p>A Beam Smoke Detector</p> | <p>An Evacuation Plan</p> |
|  <p>2022/06/03 10:40</p> |  <p>2022/06/03 10:40</p> |  <p>2022/06/03 10:41</p> |
| <p>Evacuation Route 1</p> | <p>Evacuation Route 2</p> | <p>A Smoke Detector</p> |
|  <p>2022/06/03 10:35</p> |  <p>2022/06/03 09:10</p> |  <p>2022/06/03 10:39</p> |
| <p>Automatic Fire Extinguisher</p> | <p>The Fire-Fighting Regulations</p> | <p>The Parking Area</p> |

| | | |
|---|--|---|
|  |  |  |
| <p>Using Instructions of the Machines</p> | <p>The Sign Indicating the Emergency Assembly Point</p> | <p>A "No-Smoking" Sign</p> |
|  |  |  |
| <p>Testing of the Fire Alarm</p> | <p>Testing of the Fire Extinguisher</p> | <p>Testing of the Evacuation Sign and Emergency Lights</p> |
|  |  |  |
| <p>The Electrical Control Panel, Equipped with an Inner Cover</p> | <p>The Electrical Control Panel, Equipped with a Warning Sign and a Rubber Mat</p> | <p>The Attendance Recorder</p> |

| | | |
|----------------------------|--|--|
| | | |
| <p>The Medical Room</p> | <p>A First Aid Box, Equipped with Sufficient Items</p> | <p>One of the Water-Drinking Areas</p> |
| | | |
| <p>A Hand-Washing Area</p> | <p>The Hazardous Waste Warehouse</p> | <p>The Locker</p> |
| | | |
| <p>A Female Toilet</p> | <p>A Male Toilet</p> | <p>A Toilet, Kept Clean</p> |

| | | |
|---|--|---|
|  |  |  |
| <p>The MSDS</p> | <p>A Chemical, Equipped with a Secondary Container in Case of Leakage</p> | <p>Eye-Wash Machine</p> |
|  |  |  |
| <p>The Air-Compressor</p> | <p>A Worker Wearing PPE While Working</p> | <p>The Safety Guard of the Machine</p> |
|  |  |  |
| <p>The General Bulletin Board</p> | <p>The Smoking Area</p> | <p>Staircase</p> |

| | | |
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| <p>Records of the Fire Safety Training and the Fire Drill Held on January 6, 2022</p> | <p>Records of the Fire Safety Training and the Fire Drill Held on February 24, 2022</p> | <p>Certificate of Fire-Fighting Team</p> |

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