



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC157543346	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS172077543	
Business name (Company name):	Lam Viet Joint Stock Company			
Site name:	Lam Viet Joint Stock Company			
Site address:	Land plot No.602, Map sheet No.39, Khanh Loc Quarter, Khanh Binh Ward, Tan Uyen Tonwship, Binh Duong Province, Vietnam Binh Duong 59000 VN	Country:	VN	
Site contact and job title:	Ms. Tran Thi Xong / Deputy General Director			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-06-26			

Audit Company Name:
BCI Compliance Group Limited

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

Audit Content:

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

 - 2-Pillar requirements plus
 - Additional Pillar assessment of Environment
 - Additional Pillar assessment of Business Ethics
 - The Customer's Supplier Code (Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Kha Hoang Nguyen	APSCA Number:	21704859
Additional Auditors:	Thi Hong Minh (Homi) LE Lynn NGUYEN		
Date of declaration:	2023-06-26		

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

Site Representation	
Full Name:	Ms. Tran Thi Xong
Title:	Deputy General Director
Date of declaration:	2023-06-26
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
	Nil

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>	0.A.4		0	1	0	Obs - ZAF600093320
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1 3.1	§1 §2 §3 §4 §5	5	0	0	NC - ZAF600093315 NC - ZAF600093316 NC - ZAF600093317 NC - ZAF600093318 NC - ZAF600093319
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>			0	0	0	
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

Local Law Issues

Issue	Description
§1	According to the Law No. 84/2015/QH13 dated June 25, 2015, Art. 16, point 3 Vietnam Labor Code 45/2019/QH14, dated on 20 November 2019, Article 5, Article 134 Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace 6. Employees are sufficiently provided with personal protective equipment when they perform tasks having dangerous or harmful factors; and occupational safety and hygiene equipment at the workplace. Article 5. Rights and obligations of employees 1. An employee has the rights to: a) work; freely choose an occupation, workplace or occupation; participate in basic and advanced occupational training; develop professional skills; suffer no discrimination, forced labor and sexual harassment in the workplace; Article 134. Ensuring occupational safety and health at the workplace 2. Employees shall comply with rules and procedures for occupational safety and health, regulations of law, obtain knowledge and skills on assurance of occupational safety and health at the workplace.

<p>§2</p>	<p>According to the TCVN 5556:1991, dated on October 15, 1991, Article 1.5 1.5. Requirements for insulation resistance in the workplace: 1.5.1. The floor in the workplace for whole protection must be made of insulating resistance material or covered with insulating material so that only people standing on the insulating ground can touch live parts. Insulated workplace shall eliminate the possibility of persons having simultaneous contact with live or non-live parts of different potentials within the reach of the hands of persons which need to be covered with insulating material.</p>
<p>§3</p>	<p>According to TCVN 3890-2009, dated in 2009, Article 10.1.5. 10.1.5 Incident lighting and escape instructions with backup sources ensure a minimum operating time of 2 hours. Incident lighting has an average initial illumination intensity of 10 lux and the smallest illumination intensity at any point along the escape route is not less than 1 lux. Exit instructions must be clearly visible to the words "EXIT" or other appropriate letters from a distance of at least 30m under normal lighting conditions (300lux) or when there is a problem (10lux).</p>
<p>§4</p>	<p>According to the Law No. 84/2015/QH13 dated June 25, 2015, Art. 23 Vietnam Labor Code 45/2019/QH14, dated on 20 November 2019, Article 5, Article 134 Article 23. Personal protective equipment 1. Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work. Article 5. Rights and obligations of employees 1. An employee has the rights to: a) work; freely choose an occupation, workplace or occupation; participate in basic and advanced occupational training; develop professional skills; suffer no discrimination, forced labor and sexual harassment in the workplace; Article 134. Ensuring occupational safety and health at the workplace 2. Employees shall comply with rules and procedures for occupational safety and health, regulations of law, obtain knowledge and skills on assurance of occupational safety and health at the workplace.</p>
<p>§5</p>	<p>According to the Law No. 84/2015/QH13 dated June 25, 2015, Art. 16, point 6 Vietnam Labor Code 45/2019/QH14, dated on 20 November 2019, Article 5, Article 134 Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace 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. Article 5. Rights and obligations of employees 1. An employee has the rights to: a) work; freely choose an occupation, workplace or occupation; participate in basic and advanced occupational training; develop professional skills; suffer no discrimination, forced labor and sexual harassment in the workplace; Article 134. Ensuring occupational safety and health at the workplace 2. Employees shall comply with rules and procedures for occupational safety and health, regulations of law, obtain knowledge and skills on assurance of occupational safety and health at the workplace.</p>

Site Details

Site Details		
Company Name	Lam Viet Joint Stock Company	
Site Name	Lam Viet Joint Stock Company	
GPS location (if available)	GPS Address:	Land plot No.602, Map sheet No.39, Khanh Loc Quarter, Khanh Binh Ward, Tan Uyen Tonwship, Binh Duong Province. Thửa đất số 602, tờ bản đồ số 39, Khu phố Khánh Lộc, Phường Khánh Bình, Thị xã, Tân Uyên, Tỉnh Bình Dương.
	Coordinates:	Latitude: 11.038500 & Longitude: 106.702589
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No.3700432258. First issue date: January 24th, 2008. Latest update: June 14th, 2022. (No expiration date for this kind of license in Vietnam).	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	The main product is indoor and outdoor furniture. Process: cutting, shaping, assembly, sanding, spraying, inspecting, packing, and loading.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	LAM VIET JOINT STOCK COMPANY is located at Land plot No.602, Map sheet No.39, Khanh Loc Quarter, Khanh Binh Ward, Tan Uyen Tonwship, Binh Duong Province, Vietnam. The facility has operated at this location since January 24th, 2008. The facility consists of seven main buildings housing the administrative offices and all of the production workshops and warehouses, where it occupies a land area of 45,000 sq. meters. In addition, the facility also does not share buildings with other businesses.	

Structure and number of buildings	Building Name:		Building #1
	Floor	Description	Remark
	1 & 2	office for management and staff, meeting room;	300 square meters and is 8 years old.
	3	document storage area.	Concrete & steels and is 8 years old.
	Building Name:		Building #2
	Floor	Description	Remark
	1	shaping workshop, sanding workshop, spraying workshop, assembly and accessories warehouse.	12,288 square meters and is 17 years old.
	Building Name:		Building #3
	Floor	Description	Remark
	1	shaping workshop, sanding workshop, packing workshop	2,400 square meters and is 12 years old.
	Building Name:		Building #4
	Floor	Description	Remark
	1	shaping workshop, sanding workshop, assembly	4,824 square meters and is 10 years old.
	2	spraying workshop, inspecting workshop, packing workshop.	Concrete & steels and is 10 years old.
	Building Name:		Building #5
	Floor	Description	Remark
	1	raw materials warehouse.	8,000 square meters and is 5 years old.
	Building Name:		Building #6
	Floor	Description	Remark
	1	CNC cutting workshop, cutting workshop.	1,400 square meters and is 12 years old.
Building Name:		Building #7	
Floor	Description	Remark	
1	dining area, kitchen	455 square meters and is 12 years old.	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: During the site observation, we ascertained that there are no large cracks in factory structural.		

Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	October to February
Process overview	The main product was indoor and outdoor furniture. Production process: cutting, shaping, assembly, sanding, spraying, inspecting, packing, and loading. The main machines used in the facility are wood CNC cutting machines, cutting machinery. Production process: tenoning machines, sanding machines and spraying machines.
What form of worker representation is there on site?	<input checked="" type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	The Trade Union of LAM VIET JOINT STOCK COMPANY.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Through the on-site audit, we ascertained that there was no site provided dormitory/ accommodation building was for the employees.

Audit Parameters		
Time in and time out	Day 1	
	In	08:20
	Out	18:21
Audit type:	FULL_INITIAL	
Was the audit announced?	SEMI_ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Ms. Tran Thi Xong / Deputy General Director	
Is further information available	No	

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	210	0	0	0	0	0	0	210
Worker numbers – female	195	0	0	0	0	0	0	195
Total	405	0	0	0	0	0	0	405
Number of Workers interviewed – male	15	0	0	0	0	0	0	15
Number of Workers interviewed – female	11	0	0	0	0	0	0	11
Total – interviewed sample size	26	0	0	0	0	0	0	26

Nationalities Structure	
Nationality of Management	Vietnamese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: VIETNAMESE approx %: 100%
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 0%
	Salaried: 100%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: N/A

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 groups of 5
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None
What did the workers like the most about working at this site?	The interviewed workers satisfied the friendly working environment and good relationship with facility management.
Any additional comment(s) regarding interviews:	None
Attitude of workers to hours worked:	The interviewed workers satisfied with the working hours.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

Throughout the worker interview we learnt that all workers were satisfied with working in this facility and they were comfortable in communication with the facility management. They were free to share their information during the interview. There was no negative information from the interviewed workers.

Attitude of worker's committee/union reps:

The Trade Union Chairwoman – Ms. Phuong affirmed that the facility management respected the trade union and she was happy with the working conditions, working hours, and social insurance system, and she stated that she could give suggestions on all parts of the site's practices. There was no negative information from the Trade Union Chairwoman.

Attitude of managers:

The facility management agreed the auditors to conduct audit onsite, and the management accompanied with the auditors when the auditors conducted facility tour. All required documents and records are provided to review on time. The facility management agreed with the non-compliance issues and agreed with the CAP at the closing meeting.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The facility established the human rights policy and relevant procedure in place, and communicated to all appropriate parties, including its own suppliers.
- The facility did assign Ms. Hong – HR Manager responsibility for implementing standards concerning human rights.
- The facility has identified and measured their direct, indirect, and potential impacts on stakeholders human rights.
- The facility has a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Evidence examined:

- Written social compliance policies and procedures.
- Factory internal rules posted in the notice board.
- Suggestion boxes logbook.
- Grievance procedure.
- Management and employee interview.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has a human right policy and communicate to all employees.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the worker interviews and management interview, it was noted that human right policy included in workers' manuals.

<p>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</p> <p>Please give details:</p> <p>Ms. Hong is the designated person responsible for implementing standards concerning Human Rights.</p>				
<p>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</p> <p>Please give details:</p> <p>During the audit, we noted that Complaint and Grievance procedures were established. Suggestion boxes were installed at public areas such as canteen, bulletin board. In addition, through site observation, document review & employee's interview, it was noted that no human right violation was observed during this audit.</p>				
<p>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</p>				
<p>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</p> <p>Please give details:</p> <p>There are data privacy procedures for workers' information and implemented in the facility.</p>				
<p>Measuring Workplace Impact</p>					
<p>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))</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">6.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">5.0%</td> </tr> </table>	Last year	6.0%	This year	5.0%
Last year	6.0%				
This year	5.0%				
<p>Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])</p>	<p>6.0%</p>				
<p>Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">10.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">5.0%</td> </tr> </table>	Last year	10.0%	This year	5.0%
Last year	10.0%				
This year	5.0%				
<p>Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)</p>	<p>4.0%</p>				
<p>Are accidents recorded?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The Health and Safety officer is responsible for recording the accidents in the facility.</p>				

Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

Observation		Evidence
[Back to findings summary]		
Observation		
Status	OPEN	
Reference	ZAF600093320	
Clause	0A - Universal Rights covering UNGP	
Issue Title	685 - No / inadequate system to identify relevant stakeholders and assess, prioritise or minimise the negative human rights impact of the site	
Subcategory	Human rights	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	The facility did not aware of the requirement	
ETI code	0.A.4 - Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.	
Explanation to the observation	As confirmed by the factory management, we found that the factory did not have any idea as to whether or not its business has an adverse impact on human rights within any of its stakeholders, so that the factory was unable to address these issues or effect a remediation.	
Actions	It is recommended that the factory should have an idea as to any adverse impact on human rights within any of its stakeholders and should address these issues and enable effective remediation.	

0B - Management Systems and code Implementation
[Summary of Findings]

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

Current Systems and Evidence Examined

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

Current Systems:

-The related social compliance policies were available for review such as anti-child labour, young worker protection, compensation, working hour, anti-harassment and abuse etc.
 -HR department and compliance manager was responsible for ensuring that licenses and business permissions were up to date.
 -Overall responsibility for meeting the standards is taken by Ms. Xong as Deputy General Director.

Evidence examined:

- Facility Code of Conduct in local language posted
 - Global Business Partner Code of Conduct
 - Internal rule and regulation
 - Social compliance Policy and SOP.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Through the worker interview, as confirmed by the management, and documentary review, we verified that there was not any fine in the factory.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The related social compliance policies were available for review such as anti-child labor, young worker protection, compensation, working hour, anti-harassment and abuse etc.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	There was no child labour in the facility. During the documentary review, the worker interviews, and the site tour, we noted that the youngest worker was over 18 years old. There was no reported case of forced labour, discrimination, and harassment & abuse.

<p>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</p> <p>Please give details:</p> <p>During the workers' interviews and as confirmed by the management, we noted that the managers and workers received the training in the standards for forced labour, child labour, discrimination, and harassment & abuse annually.</p>
<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>During interviews with employees and as confirmed by the management, we noted that the managers and workers understood the terms of forced labour, child labour, discrimination, and harassment & abuse which were regulated in the internal regulations.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The site did not have any internationally recognized system certifications.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>There was Human Resources department in charge of recruitment, deploying and monitoring the policies of wage & benefit, working hours, health-safety, and environment, in which Ms. Tram is the Human Resources Officer.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Mr. Thuan as Occupational Health and Safety Officer is responsible for implementation of the code.</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The policy was established on January 10th, 2022, to ensure all workers information was confidential.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The procedure was established to ensure confidential information was kept confidential.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The risk assessment was conducted to evaluate policy on February 7th, 2023, and the records were well maintained.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Non-compliance issues found at internal audit were reviewed by factory management and corrective action was taken.</p>

<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had a policy/code which required labour standards of its own suppliers.</p>
<p>Land Rights</p>	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The Land using right certificate No.BI674402; issue date: May 30th, 2012, and No.BI674587; issue date: April 14, 2012. Construction permit of building No.378/GPXD; issue date: March 14, 2006, No.198/GPXD; issue date: January 30th, 2011, No.975/GPXD-SXD; issue date: May 31st, 2013, and No.2152/GPXD-SXD; issue date: October 21, 2015.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had set up the procedure and appointed executive department to conduct legal due diligence to recognize and apply national laws and practices relating to land title.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had a written policy and procedures specific to land rights.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Not applicable.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Not applicable.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Not applicable.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements
 1.1 There is no forced, bonded or involuntary prison labour.
 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- The facility had a policy which prohibits forced labour and this was available for review.
- The recruitment procedure stated that workers must present their ID cards for age verification during the job interview. Only copies of ID cards for proof of workers’ ages are kept in the personnel files and the original ID card shall not be kept by the facility. Original documents were kept by employees. No employment fee was required as a condition of employment.
- Workers were free to leave the workplace outside of their working hours and were free access to drinking water and a restroom.
- 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 after 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 26 selected employees confirmed that they worked at the facility voluntarily and had no enforcement to work overtime and the overtime forms were signed by workers before overtime performance.

Evidence examined:

- Personnel files including labour contracts
- Resignation records
- Factory internal regulation
- Collective Bargaining Agreement
- Management and worker interview
- Trade union representative interview.

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID’ (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers’ freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Per the site tour and workers’ interviews, we noted that there were not any restrictions on worker’s freedom to terminate employment during the audit onsite.

<p>If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details: Not applicable.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Through the site tour and workers' interviews, we noted that there was no evidence of any restrictions on worker' freedoms to leave the site at the end of working day during audit onsite.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details: The facility understood the risks of forced/ trafficked/ bonded labour in its supply chain. The facility knew that minority ethnic workers, disabled workers, and vulnerable workers will be the risks of forced/ trafficked/ bonded labours.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The facility had recruitment procedure to reduce the risk of forced or trafficked labor.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The Collective Bargaining Agreement is established and registered by the authority on February 26th, 2021.
- The open dialogue at the workplace was performed once every quarter between employer and employees.
- The trade union conducted a meeting every 6 months and the latest meeting was held on February 27th, 2023.
- Trade union representative and chairwoman were voted by workers and all interviewed workers know the name of the chairwoman of the trade union.
- 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. In addition, they had all rights to wages and benefits, and working conditions as others.

Evidence examined:

- Site policy on freedom of association.
- Interview with workers and Chairwoman of Trade Union
- Meeting records review.
- Site policy on freedom of association.

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input checked="" type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Other details:	The Trade Union of LAM VIET JOINT STOCK COMPANY.
Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were suggestion boxes available in the workshops.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility provided adequate facilities to allow the Union to conduct related business.

Name of union and union representative, if applicable:	The Trade Union of LAM VIET JOINT STOCK COMPANY. The chairwoman of the Union was Ms. Phuong.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There was no parallel means of consultation with workers.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the worker interview, we verified that all workers knew The Trade Union of LAM VIET JOINT STOCK COMPANY. The chairwoman of the Union was Ms. Phuong.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-05-26
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The workers could contact their representatives (trade union) for any grievance if any. If there was a request, the trade union and facility management representatives conducted a meeting to solve the issue(s) accordingly. The trade union at the site conducted a meeting on an annual basis and the meeting minutes were retained. The latest meeting was held on February 27th, 2023. The meeting minutes were posted at the notice board that employees can read.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, what percentage by trade Union/worker representation	100% workers covered by Union CBA. 0% workers covered by worker rep CBA.
If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

3: Compliance Requirements

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management

- Mr. Thuan as OHS Officer, has been assigned to be in charge of health, safety and environment issues in the facility.
- The general housekeeping is clean and tidy.
- Sufficient clean toilets segregated by gender were available at all floors and at all times to workers with 38 toilet rooms for male and 35 toilet rooms for female are provided.
- Ventilation, temperature and lighting were adequate for the production processes.

2. Fire Safety

- A total of 620 fire extinguishers, 41 fire alarm buttons, 68 fire hose reels, and 380 smoke 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.
- There are at least two (2) safety exits from each work area and these were fully installed with exit sign and emergency lights.
- The firefighting equipment and system were inspected every year by the local firefighting department.
- The Firefighting & prevention (FFP) was approved by local police on October 20th, 2019.
- The approval of Firefighting & prevention (FFP) design of building was approved on May 7th, 2013, and July 27th, 2018.
- The internal evacuation drill was conducted on March 21st, 2023, and June 13th, 2023.
- The facility established an internal firefighting team with 50 members. They were provided specific training periodically. The latest training was conducted on June 3rd ~ 4th, 2022, valid for 5 years.
- During the audit day, all pieces of the fire equipment were working in good condition.
- During the site observation and as confirmed of the management team, we found that the language shown on 1 of the evacuation signs in Building #2 was not in Vietnamese.

3. Electrical safety

- There was competent electrician at the site and training certificate was available for review.
- All electrical equipment was in good condition such as sockets, plugs, switches and main fuse boards.
- Factory's electricity system was monthly checked by facility's electrician.
- Lightning protection inspection and electrical system grounding resistance measurement were conducted on November 3rd, 2022, valid for 1 year.
- During the facility tour and as confirmed of the management team, we noted that the facility had not equipped 1 of the electrical cabinets in the sanding workshop of building #3 with an inner cover to prevent electric shocks.
- During the facility tour and as confirmed of the management team, we noted that the facility had not placed a rubber mat in front of 1 of the electrical cabinets in the sanding workshop as legally required.

4. Chemical safety

- Chemicals were equipped with secondary containers in case of leakage.
- Chemical storage area was equipped with an eye washing machine and the MSDS was posted nearby. The sand drum was equipped in case of chemical spill.
- PPE was provided to employees who work with chemicals.
- All employees who work directly with chemicals are provided chemical trainings. The last one was conducted on June 1st ~ 3rd of 2023, with two-year certificate validation.

5. Machinery safety

- Almost machines were installed with safety guards.
- Standard operating procedures were posting on all machines for worker's usages while they were working.
- Air-compressor operators were trained and qualified by authority on June 8th ~ 10th of 2023, with 2-year validation.
- Boiler operators were trained and qualified by authority on March 9th ~ 11th of 2023, with 2-year validation.
- Forklift and elevator operators were trained and qualified by authority on March 9th ~ 11th of 2023, with 2-year validation.
- During the site tour, we found that the facility had not labelled in Vietnamese the safety warning sign of 1 of the sanding machines in the sanding workshop of building #2.

6. Personal protective equipment:

- Workers are provided with appropriate work-related personal protective equipment (gloves, respirator, apron, chair, mask, ...) as required by law.
- Visible signs of wearing PPE during working hours are posted in the workers' workplace.
- Workers were provided with training on how to use properly PPE on the first working day since they were recruited and on the yearly training.
- Through a visual inspection of the facility and worker interview, we verified that the facility management provided all relevant PPE to workers as per jobs required at no cost. However, 1 of the workers in the spraying workshop was not wearing protective gloves during working hours.

7. First Aid/ accidents:

- 9 first aid kits with 27 medical items were installed in the facility.
- The facility signed contract with the local hospital, named Sai Gon 368 International General Clinic Company Limited for supporting in case of emergencies.
- The facility established an internal first aid team with 24 members. They were provided specific training periodically. The latest training was conducted on August 20th, 2022, valid for 1 year.
- The latest health check was conducted on June 16th, 2023.
- From the documentary review and interaction with management team, we verified that the facility recorded work-related occupational accidents and diseases and had submitted the Periodical Summarized Report of work-related occupational accidents to the competent authority as legally required on March 13th, 2023.

Evidence examined:

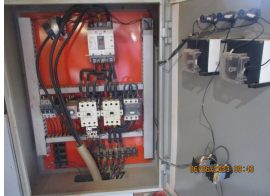
- Health and safety procedures, instructions, and training records.
- First aid training records, accident records, medical check-up records.
- Firefighting and prevention project, fire drill and firefighting training records.
- Maintenance plan and records for machines, firefighting equipment, electricity.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

Any other comments:


Nil

<p>Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The general Health & Safety and occupational Health & Safety policy was established and available for review.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>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.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No such evidence was identified.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All visitors were required to wear provided PPE during the facility tour.</p>


<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There was a medical room in the facility. Besides, the facility signed contract with the local hospital, named Sai Gon 368 International General Clinic Company Limited for supporting in case of emergencies.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <ul style="list-style-type: none"> - The facility established an internal first aid team with 24 members. They were provided specific training periodically. The latest training was conducted on August 20th, 2022, valid for 1 year. - The facility signed contract with the local hospital, named Sai Gon 368 International General Clinic Company Limited for supporting in case of emergencies.
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility did not provide worker transport.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There was no dormitory for workers.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The latest risk assessment was conducted on March 3rd, 2023.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The sewage discharge permit No.68/GP-STNMT was issued on June 25, 2021, valid for 5 years. The facility has signed the contract with Tan Thien Nhien Environment Joint Stock Company No.01/2022/HDNH-LV&TTN dated on January 5, 2022, on waste and hazardous waste collecting and removing, valid for 2 years.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility met with customer requirements on environmental standards and no banned chemicals were used.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600093315	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	228 - Unsafe handling of electrical equipment e.g. no rubber mats in front of electricity panels	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600013814	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	lack of monitoring	
Local law issue	According to the Law No. 84/2015/QH13 dated June 25, 2015, Art. 16, point 3 Vietnam Labor Code 45/2019/QH14, dated on 20 November 2019, Article 5, Article 134 Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace 6. Employees are sufficiently provided with personal protective equipment when they perform tasks having dangerous or harmful factors; and occupational safety and hygiene equipment at the workplace. Article 5. Rights and obligations of employees 1. An employee has the rights to: a) work; freely choose an occupation, workplace or occupation; participate in basic and advanced occupational training; develop professional skills; suffer no discrimination, forced labor and sexual harassment in the workplace; Article 134. Ensuring occupational safety and health at the workplace 2. Employees shall comply with rules and procedures for occupational safety and health, regulations of law, obtain knowledge and skills on assurance of occupational safety and health at the workplace.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	During the facility tour and as confirmed of the management team, we noted that the facility had not equipped 1 of the electrical cabinets in the sanding workshop of building #3 with an inner cover to prevent electric shocks.	 <p><u>NC #1 Electrical Cabinet, Not Equipped with Inner Cover.JPG</u></p>


Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory shall equip the electrical cabinet with an inner cover without delay.	
Additional comments	ectrical cabinets in the sanding workshop of building #3 with an inner cover to prevent electric shocks. Desktop Review on July 12th of 2023: the facility sent to us for our review the photographic evidence of its resolution of this issue, evidence confirming that the facility has now equipped the relevant electrical cabinet in the sanding workshop of building #3 with an inner cover to prevent electric shocks.	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600093316	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	228 - Unsafe handling of electrical equipment e.g. no rubber mats in front of electricity panels	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600013814	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	lack of monitoring	
Local law issue	According to the TCVN 5556:1991, dated on October 15, 1991, Article 1.5 1.5. Requirements for insulation resistance in the workplace: 1.5.1. The floor in the workplace for whole protection must be made of insulating resistance material or covered with insulating material so that only people standing on the insulating ground can touch live parts. Insulated workplace shall eliminate the possibility of persons having simultaneous contact with live or non-live parts of different potentials within the reach of the hands of persons which need to be covered with insulating material.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	During the facility tour and as confirmed of the management team, we noted that the facility had not placed a rubber mat in front of 1 of the electrical cabinets in the sanding workshop as legally required.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory shall place rubber	
		 <p><u>NC #2 Electrical Cabinet, Not Equipped with Rubber Mat.JPG</u></p>


	mats in front of all electrical cabinets.	
Additional comments	the facility had placed a rubber mat in front of the electrical cabinets in the sanding workshop as legally required. Desktop Review on July 12th of 2023: the facility sent to us for our review the photographic evidence of its resolution of this issue, evidence confirming that the facility has now placed a rubber mat in front of the relevant electrical cabinets in the sanding workshop.	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600093317	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	191 - Fire fighting equipment signage/labelling, instructions are not sufficient in detail, language, etc.	
Subcategory	Fire Safety - Fire Fighting Equipment	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600013814	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	lack of monitoring	
Local law issue	According to TCVN 3890-2009, dated in 2009, Article 10.1.5. 10.1.5 Incident lighting and escape instructions with backup sources ensure a minimum operating time of 2 hours. Incident lighting has an average initial illumination intensity of 10 lux and the smallest illumination intensity at any point along the escape route is not less than 1 lux. Exit instructions must be clearly visible to the words "EXIT" or other appropriate letters from a distance of at least 30m under normal lighting conditions (300lux) or when there is a problem (10lux).	
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>NC #3 Evacuation Sign, Not in Vietnamese.JPG</p>
Explanation to the non compliance	During the site observation and as confirmed of the management team, we found that the language shown on 1 of the evacuation signs in Building #2 was not in Vietnamese.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory shall replace the evacuation sign with a new one without delay.	

Additional comments	the language shown on the evacuation signs in Building #2 was in Vietnamese. Desktop Review on July 12th of 2023: the facility sent to us for our review the photographic evidence of its resolution of this issue, evidence confirming that the language shown on the relevant evacuation signs in Building #2 is now bilingual English and Vietnamese.	
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600093318	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600013814	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	lack of monitoring	
Local law issue	<p>According to the Law No. 84/2015/QH13 dated June 25, 2015, Art. 23 Vietnam Labor Code 45/2019/QH14, dated on 20 November 2019, Article 5, Article 134 Article 23. Personal protective equipment 1. Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work. Article 5. Rights and obligations of employees 1. An employee has the rights to: a) work; freely choose an occupation, workplace or occupation; participate in basic and advanced occupational training; develop professional skills; suffer no discrimination, forced labor and sexual harassment in the workplace; Article 134. Ensuring occupational safety and health at the workplace 2. Employees shall comply with rules and procedures for occupational safety and health, regulations of law, obtain knowledge and skills on assurance of occupational safety and health at the workplace.</p>	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Through a visual inspection of the facility and workers' interviews, we verified that the facility management provided all relevant PPE to workers as per jobs required at no cost. However, 1 of the workers in the spraying workshop was not wearing protective gloves	 <p><u>NC #4 Spraying Worker, Not wearing protective gloves.JPG</u></p>

	during working hours.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory shall supervise and require all workers to use PPE sufficiently and properly.	
Additional comments	the workers in the spraying workshop was wearing protective gloves during working hours. Desktop Review on July 12th of 2023: the facility sent to us for our review the photographic evidence of its resolution of this issue, evidence confirming that the worker in the spraying workshop is now wearing protective gloves during working hours.	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600093319	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600013814	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	lack of monitoring	
Local law issue	<p>According to the Law No. 84/2015/QH13 dated June 25, 2015, Art. 16, point 6 Vietnam Labor Code 45/2019/QH14, dated on 20 November 2019, Article 5, Article 134 Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace 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. Article 5. Rights and obligations of employees 1. An employee has the rights to: a) work; freely choose an occupation, workplace or occupation; participate in basic and advanced occupational training; develop professional skills; suffer no discrimination, forced labor and sexual harassment in the workplace; Article 134. Ensuring occupational safety and health at the workplace 2. Employees shall comply with rules and procedures for occupational safety and health, regulations of law, obtain knowledge and skills on assurance of occupational safety and health at the workplace.</p>	 <p><u>NC #5 Safety Warning Sign, Not Labelled in Vietnamese.JPG</u></p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	

Explanation to the non compliance	During the site tour, we found that the facility had not labelled in Vietnamese the safety warning sign of 1 of the sanding machines in the sanding workshop of building #2.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility shall label the safety warning sign of the relevant machine in Vietnamese.	
Additional comments	<p>the facility had labelled in Vietnamese the safety warning sign of the sanding machines in the sanding workshop of building #2.</p> <p>Desktop Review on July 12th of 2023: the facility sent to us for our review the photographic evidence of its resolution of this issue, evidence confirming that the facility has now labelled in Vietnamese the safety warning sign of the relevant sanding machine in the sanding workshop of building #2.</p>	

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

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

Current Systems and Evidence Examined

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

Current Systems:

- Policy and procedure on child labor and young labor were established in the facility.
- Through the onsite tour, the worker interviews, and the documentary review, there was no historical and current child labor identified during the audit. The youngest worker on site was over 19 years old. She was born on April 18th, 2004, and joined the facility on July 1st, 2022.
- Prior to hiring, age documentation such as copied of ID card, family book, resume was required to submitted to facility and they were checked by HR Officer during interview.
- Checked of personnel files of 26 selected workers showed that all workers" ID copies were in files copy of personnel profile of each worker was retained by the facility and was provided for review.

Evidence examined:

- Latest list of all employees
- Personnel files of 26 selected workers
- Worker' s interview
- Management interview
- Trade union representative interview
- Site Observation
- Recruitment procedure.

Any other comments:

Nil

Legal age of employment:	15
Age of youngest worker found:	19
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: During the site observation, we noted that there is no worker under 18 in this facility.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current Systems:

- Employees' wages are calculated based on the monthly rate for all employees. Employees are paid in cash and bank transfer, on time, once a month, on the 10th ~ 15th of the following month. Through documentary review and management interviews, we ascertained that all workers always receive their pay slips on monthly.
- Employees are paid at 150% of normal wage for overtime on weekdays, 200% of the normal wage for overtime time on rest days, and 300% of normal wage for overtime on holidays.
- Annual leave (14 days in a year for production employees whose jobs were classified as harmful & toxic conditions and 12 days for non-production employees).
- Total 11 holidays are provided and paid to all employees in the year.
- The legal minimum wage was VND 4,420,000 VND per month from 2021 to June of 2022 and 4,680,000 VND per month from July 2022. The lowest wage level is paid at the minimum wage at the facility.
- The sick and maternity leave allowance is paid correctly to all employees on a timely basis.
- The severance allowance, wages and entitled benefits are 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.
- Records of attendance and payrolls of past 12 months from June 2022 to May 2023 were available for review. The auditor randomly selected 26 sample workers in 3 months: May 2023 (recent month), January 2023 (peak month), and July 2022 (off-peak month).

Evidence examined:

- Internal regulation.
- Policies on compensations and benefits, working Hours.
- Records of time attendance and payrolls of past 12 months.
- Employment contracts.
- Records of annual leave monitor.
- Records of resignation, disciplinary, allowance payments.
- Allowance payment records.
- Wage Scale.

Any other comments:

Nil

Summary Information

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

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	YES
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 4.0 Per Week: null Per Month: 40.0	Actual Per Day: 4.0 Per Week: 10.5 Per Month: 26.5	YES
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 180000.0 Per Week: 1080000.0 Per Month: 4680000.0	Actual Per Day: 180000.0 Per Week: 1080000.0 Per Month: 4680000.0	YES
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 35480.0 Per Week: 141923.0 Per Month: 141923.0	YES
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 sample workers in 3 months: May 2023 (recent month), January 2023 (peak month) and July 2022 (off-peak month).		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	VND 4,680,000		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 100.0% of workforce earning minimum wage 0.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	<p>Bonus Scheme found: The facility management provides to all employees some benefits and working conditions which are not required by local law. Details as below:</p> <ul style="list-style-type: none"> + Free lunch + Attendance allowance: 200,000 ~ 500,000 VND per month + Childcare allowance: 50,000 VND per children per month. + The 13th bonus salary to employees, paid at the end of each year. <p>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</p>		

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%), Trade Union fees: 1% of contracted wage.
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please list all deductions that have been made.	1. Social insurance 2. Health insurance 3. Unemployment insurance. Please describe: Social insurance: 8% of contracted wage. Health Insurance: 1.5% of contracted wage. Un-employment insurance: 1% of contracted wage. Trade Union fees: 1% of contracted wage.
Please list all deductions that have not been made.	Not applicable.
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through the workers' interviews, we confirmed that all working hours were recorded adequate and compensated properly.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the documentary review, the worker interviews, and as confirmed by the facility management, we confirmed that the facility reviewed wages of the employees in accordance with the local law.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through the review of the facility rules and payroll records and the employee interviews, we confirmed that equal rates are being paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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

6: Compliance Requirements

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:
- 6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

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

Current Systems:

- Scanning time-card machine was used for tracking the number of hours worked. Employees had to record their time in/out 02 times per day (time-in, time-out). The day and dates employees worked were indicated on the time record.
- Records of time attendance and payrolls of the past 12 months from June 2022 to May 2023 were available for review. The auditor randomly selected 26 sample workers in 3 months: May 2023 (recent month), January 2023 (peak month) and July 2022 (off-peak month).
- The site's regular working hours are 8 hours per day 48 hours per week, from Monday to Saturday. The rest day is Sunday. There is only one shift for workers: 7:30 – 16:30 in the facility with a one-hour from 11:30 to 12:30 as lunch break.
- All production employees were provided from 12 to 14 annual leave days (14 days in a year for production employees whose jobs were classified as harmful & toxic conditions).
- Other paid leave is provided in accordance to Collective Bargaining Agreements.
- The facility has designated office staff to monitoring and tracking time record of all workers.
- Through employees' interviews, overtime is voluntary.

Evidence examined:

- Payrolls and time records of the most recent 12 months.
- CBA and Internal regulation.
- Security logbook, production records.
- Management and workers' Interviews.

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Scanning time-card machines.
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Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: - May 2023 (recent month): + Daily: 2 hours/day + Weekly: 10.5 hours/week + Monthly: 26.5 hours/month - January 2023 (peak month): + Daily: 4 hours/day + Weekly: 4 hours/week + Monthly: 16 hours/month - July 2022 (off-peak month): + Daily: 1.5 hours/day + Weekly: 3 hours/week + Monthly: 9 hours/month.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.
Approximate percentage of total workers on highest overtime hours:	15.0%

Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Through both the workers' interviews and a detailed check of the employment agreement, we confirmed that workers worked overtime voluntarily.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% on workdays and 200% on rest days and 300% on holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100 % of sampled workers will pay at 150% for overtime wage for overtime hours on normal days and 200% for overtime on rest day if any, which is in line with legal overtime wages. The overtime wages were paid together with normal wages on the 10th ~ 15th of the following month.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	Not applicable.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Through both the workers' interviews and a detailed check of the employment agreement, we confirmed that workers worked overtime voluntarily.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Policy and procedure for Anti-discrimination procedure on hiring, compensation, promotion established on January 18th, 2019, was available for review.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Pregnant test was not required for female workers before employment.
- Gender divisions did not exist in the facility, both female and male workers were distributed in all types of work.
- Workers were employed and arranged to work based on their abilities, capacities and skills and they receive equal pay for equal work.
- All 26 interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
- There was no evidence of sexual harassment.
- Throughout 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.

Evidence examined:

- Attendance records.
- Termination records.
- Personnel files.
- Worker's interview.
- Management interview.
- Trade union interview.
- Payroll records.

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 74.0%	Female: 26.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	33		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	During the audit, we confirmed that there was not any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation.		
Professional Development			

What type of training and development are available for workers?	Workers are provided H&S training, firefighting training, regulations, and training on social compliance policy and procedure.
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
 Additional Elements: Responsible Recruitment
 8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
 8.5 Employment agencies must only supply workers registered with them.
 8.6 Workers pay no recruitment fee at any stage of the recruitment process.
 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current Systems:

- All employees were recruited by the factory directly. No labour agency was used to hire workers.
- Employees were provided with 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 the employee's probation period was passed.
- The factory applies 90 day apprenticeship period for new workers, however, during the apprenticeship period, the workers could be signed a definite-term contract if they can meet the job whenever without the need to complete the apprenticeship period. After that, workers become permanent workers.
- No temporary worker or home worker was identified by the auditors.
- No subcontractor was used.
- All of the workers had received the labor contract.

Evidence examined:

- Policy and procedure on recruitment.
- The hiring and termination policies.
- Personal files.
- Labor contracts.
- Time and Payroll records.

Any other comments:

Nil

Responsible Recruitment

All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Migrant Workers	
Type of work undertaken by migrant workers:	No migrant workers have worked in this factory in the past 12 months.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.
Is there any observation on this finding?	No
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	Not applicable.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.

Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable.
-----------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

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

8A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- During the site tour, we confirmed that all production processes were present in the unit;
- No sub-contractor was identified in the facility;
- No home working was identified in the facility.

Evidence examined:

- Facility tour.
- Production records.
- Management interview.
- Worker interview.

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

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

9: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The facility established the policies and procedures on no Harsh or Inhumane Treatment.
- During the audit, we noted that there was no indicator to show that the facility engaged or supported physical harassment, mental harassment, abuse & threat, and any types of sexual harassment in the facility.
- Interviewed employees reported that they were equally treated by their supervisor. No evidence of corporal punishment, threats of violence or other forms of physical, mental, sexual, verbal harassment and abuse has identified during audit process.
- The facility management encouraged employees to report non-conformities, including instances of harassment or abuse, without fear of retribution. The facility management equipped suggestion boxes throughout the facility so that employees can freely share the harassment or abuse issues to the management.
- Employees could share their concerns with their team leader or trade union representatives or meet directly with the management to send their complaint or through hot-line phone numbers posted throughout the facility.
- Neither agency staff nor migrant worker was found during this audit.

Evidence examined:

- The policy on non-harassment & abuse and related procedure.
- Training records.
- Procedure on grievance handling and related records.
- Interview workers.
- Interview management.
- Interview trade union representative.

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Any violations of Labor standards or H&S violation can be reported to the Trade union representatives or top management. Suggestion boxes are posted in the workshops and restroom that workers can report any violation. There was open channel available for reporting any violation of labor standards, H&S, or any grievances to a third party.
If yes, are workers aware of these channels and have access? Please give details.	Grievance procedure was posted as well as communicated to all employees.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	The facility provided telephone hot lines and suggestion boxes.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other

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

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on documentary review, management and workers' interviews, we ascertained that no employment agency was used by the facility.
- The facility recruited the new workers directly by the advertisements.
- All employees in the facility were Vietnamese.
- All workers had the proper legal rights to work in this region.
- No agency staff or migrant worker was found during this audit.
- All workers had the proper legal rights to work in this region.
- The youngest age was over 19 years old.

Evidence examined:

- Employment procedure.
- Facility internal regulation.
- Personal files with contracts.
- Interview with management, workers and trade union representatives.

Any other comments:

Nil

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

10B4: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- Throughout the facility tour, we observed that general housekeeping in the production areas is in good condition and organization.
- All wastes including production, living and hazardous wastes are separated in storage.
- Environmental policy was established on March 1st, 2021, available for review.
- Hazardous wastes had been collected by the qualified contractor, named Tan Thien Nhien Environment Joint Stock Company. The relevant document and files were available for review. Such as hazardous wastes treatment contract, qualified certification for hazardous wastes treatment, Business Licences, Transfer record etc.
- Environment impact assessment project was approved by the government on March 6th, 2018.
- Working environment inspection was conducted on December 19th, 2022.
- Environmental protection report was submitted to the authority on January 12th, 2023.
- Sewage discharge permit No.68/GP-STNMT was issued on June 25th, 2021, valid for 5 years.
- Person in charge of implementing & maintaining Environmental issues: Ms. Tram as HR & Compliance Officer;
- Employees received training on Environment policy conducted in orientation training with one week before stating their job and annual refresh training.

Evidence examined:

- Environment license.
- Energy payment bills.
- Environmental policy.
- Water bill.
- Site tour at waste collected area.
- Documentary checking.

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Ms. Xong as Deputy General Director.
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had conducted the risk assessment on environmental impact of the site, including implementation of controls to reduce identified risks on February 21st, 2023.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: During the audit, we confirmed that the factory has no recognized environmental system certification.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Waste classification at the source, turn off electricity if not needed.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the audit, we verified that the facility has gained the Forest Stewardship Council valid from August 10th, 2020, to September 20th, 2025.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Registered list of hazardous wastes No. 74.000679.T was issued by authority on December 31st, 2010. Sewage discharge permit No.68/GP-STNMT was issued on June 25th, 2021, valid for 5 years.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: During documentary review, workers' interviews, and management interviews, We noted that the facility has a documentation process to record hazardous chemicals used in the manufacturing process. Besides, the facility has conducted the chemical emergency response drill provide to relevant workers every year, and the latest drill was conducted on March 16th, 2023.

Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Tram is in charge of checking client's requirements and legislation regarding environmental every month.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Turn off electricity if not using.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility did not have evidence of waste recycling and is monitoring volume of waste that is recycled.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follow recognized protocols or standard.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the audit, we noted that the facility has the suppliers/ subcontractor selection policy in place to check that any sub-contracting agencies or business partners operating on the premises have appropriate permits and licenses and are conducting business in line with environmental expectations of the facility.

Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	2961300	4434320
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	local water authority	local water authority
Water Volume Used	12194	9941
Water Discharged	After the wastewater was treated, it was discharged into the Cai river.	After the wastewater was treated, it was discharged into the Cai river.
Water Volume Discharged	9755	7953
Water Volume Recycled	0	0
Total waste produced	8600 kg	9600 kg

Total hazardous waste produced	170,620 kg	97,240 kg
Waste to recycling	0 kg	0 kg
Waste to landfill	0 kg	0 kg
Waste to other	0 kg	0 kg
Total Product Produced	1,200,000 pcs	1,579,740 pcs

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

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The Business Ethics policy concerning bribery, corruption, or unethical Business Practice was issued on September 15th, 2017, and updated on March 16th, 2023. The facility conducted a training for all employees to clearly understand 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. Hong as HR Manager is the responsible person for Business Practices, and integrity/ ethical issues.
- The facility issued the procedure to control and handle grievances. There were 3 feedback channels that allow employees to report integrity/ ethical issues including a hotline, suggestion boxes, and directly.

Evidence examined:

- Business Practices policy.
- Training records.
- Worker's handbook.

Any other comments:

Nil

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

- Internal Policy
- Policy for third parties including suppliers

Please give details:

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

<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The training was provided to relevant personnel (e.g., sales and logistics) on business ethics issues.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Business Ethics Policy was reviewed as needed by the facility management.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: During the documentary review and as confirmed by the facility management, it was noted that the facility did communicate its Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</p>

Attachments



SMETA ZS 172077543 LAM VIET JOINT STOCK
COMPANY SIGNED CAPR.pdf



SMETA ZS 172077543 Lam Viet Joint Stock Company
June 26, 2023, Photos.docx



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