

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & Entitlement to Work
 - 2: Freedom of Association and Right to Collective Bargaining are Respected
 - 4: Child Labour Shall Not be Used
 - 5: Legal Wages are Paid
 - 5.A: Living Wages are Paid
 - 6: Working Hours are Not Excessive
 - 7: No Discrimination is Practiced
 - 8: Regular Employment is Provided
 - 8.A: Sub-contracting and Homeworkers are Used Responsibly
 - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit and site details

Audit details

| | | | |
|-------------------------|---|----------------------|-------------------------|
| Sedex company reference | ZC5000059133 | Auditor company name | Eurofins Southeast Asia |
| Date of audit | 2025-04-14 | Audit conducted by | Sedex member |
| Audit pillars | Labour Standards Health and safety Environment 4-Pillar Business ethics | | |

Site details

| | | | |
|----------------------|---|--------------|---|
| Sedex site reference | ZS1000070046 | Site name | An Cuong High-tech building materials jsc JSC |
| Business name | An Cuong High-tech building materials JSC | Site address | 170000 An Phat Industrial Park, KM47, National Road 5 Viet Hoa Ward, Haiduong, VN |
| Site phone | 84948726822 | Site email | tlx3@ancuongplastic.com |

Audit parameters

| | | |
|--|-----------------------------------|-------|
| Time in and out | Day 1 | |
| | In | 08:30 |
| | Out | 16:32 |
| Audit type | Full initial | |
| Was the audit announced? | Semi announced | |
| Was the Sedex SAQ available for review? | Yes | |
| Who signed and agreed CAPR? | Mr. Dang Ha Duong / Vice Director | |
| Any conflicting information SAQ/Pre-Audit Info | No | |
| Is further information available? | No | |

Audit attendance

| | Senior management | Worker representative | Union representative |
|---|--|-----------------------|----------------------|
| 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 |
| Reason for absence at the opening meeting | Not applicable. There is no worker representative in the facility. | | |
| Reason for absence during the audit | Not applicable. There is no worker representative in the facility. | | |
| Reason for absence at the closing meeting | Not applicable. There is no worker representative in the facility. | | |

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

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

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

The semi-announced window for this audit is from April 14, 2025 to May 14, 2025

| | | | |
|---------------------|-----------------|--------------|----------|
| Lead auditor | Vuong Thai | APSCA Number | 21700561 |
| Additional auditor | Le Thanh | APSCA Number | 21704235 |
| | Trieu Lac Thuan | APSCA Number | 21700482 |
| Date of declaration | 2025-04-14 | | |

Site representation

| | |
|----------------------------|--|
| Declaration | I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published. |
| Full name | Mr. Dang Ha Duong |
| Title | Vice Director |
| Date of declaration | 2025-04-14 |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------------------------------|
| 3. Working conditions are safe and hygienic | 3.H Where identified as necessary to reduce r... | §1 | NC ZAF600894946 |
| | 3.O Implement an appropriate electrical safet... | §2 | NC ZAF600894947 |
| | 3.N Maintain a log of all hazardous substance... | §3 | NC ZAF600894948 |
| | 3.N Maintain a log of all hazardous substance... | §4 | NC ZAF600894949 |
| | 3.N Maintain a log of all hazardous substance... | §5 | NC ZAF600894950 |





































Local law issues

| | |
|----|--|
| §1 | In accordance with Law no. 84/2015/QH13 dated on June 25, 2015, Article 22, point 3: The employer shall provide adequate personal protective equipment for employees who work heavy, harmful or dangerous occupations. Article 23. Personal protective equipment, point 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. In accordance with Circular no. 25/2022/TT-BLDTBXH dated November 30, 2022 - Provision of personal protective equipment in work, Article 5. Rules for providing PPE, point 2: Employers shall list and provide PPE for employees in accordance with the list under Appendix attached hereto and point 3: In addition to listing in accordance with Clause 2 of this Article, employers shall also list and provide PPE for employees in the following cases: a) Occupations and professions not mentioned under Appendix I attached hereto which dangerous and hazardous factors to employees' health are deemed present by employers. b) Occupations and professions mentioned under Appendix I attached hereto which require additional PPE for the purpose of effectively prevent harmful effects of dangerous and hazardous factors in working environments. |
| §2 | In accordance with Electricity law no. 61/2024/QH15 dated on November 30, 2024, Article 73. Safety in use of electricity for production, point 1: a) Electrical equipment must ensure quality according to corresponding standards and technical regulations; b) Electrical equipment and instrument systems, lightning protection and earthing systems must be accepted, undergo periodical and surprise inspection and technical safety inspection and be repaired and maintained according to standards and technical regulations on electrical engineering and safety, and other relevant regulations of law. The diagrams of these systems must reflect their actual status and archived together with repair and maintenance documents and inspection records throughout their operation. d) Transmission lines must be designed and installed so that production premises are clear and airy, thus avoiding mechanical or chemical impacts which may cause breakdowns. Metal structures of factories, machinery, metal tubes and lightning conductors must not be used as neutral conductors, dd) The power system in areas where inflammable substances exist must be designed, installed and used according to regulations on fire and explosion prevention and fighting; only specialized equipment and tools for fire and explosion preventing and fighting shall be used as prescribed by law. |
| §3 | In accordance with the Law on Chemical No. 06/2007/QH12, Article 21. Storage and maintenance of hazardous chemical in production and trading: Organizations and individuals storing and maintaining hazardous chemicals must observe the following provisions: 1. Meeting requirements for safety distance and safety techniques in chemical storage and maintenance; 2. In the locations where hazardous chemicals stored and/or maintained setting up signal systems as provided for in paragraph e clause 1 Article 12 of this Law; 3. Using technical facilities and equipment as well as those for tackling accidents in accordance with chemical properties respectively; 4. Developing and implementing the accident prevention and mitigation plan in accordance with the provisions as provided for in Chapter VI of this Law. Article 34. Storage and maintenance of hazardous chemical in using: 1. Organizations and individuals using hazardous chemicals in goods production must observe regulations on storing and maintaining hazardous chemicals as provided for in Article 21 of this Law. |
| §4 | In accordance with Decree 113/2017/ND-CP dated October 09, 2017 on specifying and providing guidelines for implementation of certain articles of the law on chemicals, Article 5, clause 3, item b: Chemical containers and packages shall have labels specifying the contents prescribed in regulations of law on chemical labeling. Chemical labels must be stated clearly and resistant to effects of chemicals, weather and normal impacts when handling. |

§5

In accordance with Law on Chemical No. 06/2007/QH12, Article 29. Chemical safety data sheets. Point 1. Hazardous chemicals include hazardous substances or mixtures with the content of hazardous substances exceeding the prescribed limit. For hazardous chemicals, chemical safety data sheets must be made. Point 3. A chemical safety data sheet contains the following contents: a/ Identification of the chemical; b/ Identification of hazardous properties of the chemical; c/ Information on the composition of substances; d/ Physical and chemical properties of the chemical; đ/ Stability and activity of the chemical; e/ Information on toxicity; g/ Ecological information; h/ First-aid measures; i/ Fire-fighting measures; k/ Incident prevention and response measures; l/ Storage requirements; m/ Effects on humans and requirements for personal protection devices; n/ Requirements on disposal of the chemical; o/ Requirements on transportation; p/ Applicable technical regulations and laws; q/ Other necessary information. In addition, Article 30: Factory using chemical have right to request the manufacturer of hazardous chemical to provide MSDS and factory shall ensure safety information of the chemical shall be available.

Management systems

| | Policies and procedures | Resources | Communication and training | Monitoring |
|--|---|---|---|---|
| 1. Employment is freely chosen |  |  |  |  |
| 1.A. Responsible recruitment and entitlement to work |  |  |  |  |
| 2. Freedom of association and right to collective bargaining are respected |  |  |  |  |
| 3. Working conditions are safe and hygienic |  |  |  |  |
| 4. Child labour shall not be used |  |  |  |  |
| 5. Legal wages are paid |  |  |  |  |
| 6. Working hours are not excessive |  |  |  |  |
| 7. No discrimination is practiced |  |  |  |  |
| 8. Regular employment is provided |  |  |  |  |



Not addressed



Fundamental improvements required







Some improvements recommended



Robust management systems

| | Policies and procedures | Resources | Communication and training | Monitoring |
|---|-------------------------|-----------|----------------------------|------------|
| 8.A. Sub-contracting and homeworkers are used responsibly | ✔ | ✔ | ✔ | ✔ |
| 9. No harsh or inhumane treatment is allowed | ✔ | ✔ | ✔ | ✔ |
| 10.A. Environment 2-Pillar | ✔ | ✔ | ✔ | ✔ |
| 10.C. Business ethics | ✔ | ✔ | ✔ | ✔ |

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Site details

Company and site details

| | | |
|---|--|---|
| Sedex company reference | ZC5000059133 | |
| Sedex site reference | ZS1000070046 | |
| Company name | An Cuong High-tech building materials JSC | |
| Business ownership type | GOODS | |
| Site name | An Cuong High-tech building materials jsc JSC | |
| Site name in local language | Công ty cổ phần vật liệu xây dựng công nghệ cao An Cường | |
| GPS location | GPS address | An Phat High-tech Industrial Park, Km 47, National Highway no.5, Viet Hoa Ward, Hai Duong City, Hai Duong Province, Vietnam |
| | Coordinates | 20.93727, 106.28769 |
| Is the worksite in a remote location, far from habitation? | No | |
| Site contact | Contact name | Mr. Dang Ha Duong |
| | Job title | Vice Director |
| | Phone number | 84948726822 |
| | Email | tlsx3@ancuongplastic.com |
| Applicable business and other legally required business license numbers and documents | 1/ Business license no. 0801238156 was issued by Department of Planning and Investment of Hai Duong Province on January 9, 2018 and latest updated on April 1, 2025 with no expiration date. 2/ Approval of firefighting design by the local police no. 39/TD-PCCC on January 17, 2020 and no. 95/TD-PCCC on March 24, 2020 with no expiration date. 3/ The fire system safety approval of the local fire police no. 70/NT-PCCC on February 22, 2024 and no. 71/NT-PCCC on February 22, 2024 with no expiration date. 4/ Construction permit no. 20/2021/KCN-GPCT by People's Committee of Hai Duong Province on December 27, 2021 and no. 21/2021/KCN-GPCT by People's Committee of Hai Duong Province on December 27, 2021 with no expiration date. | |

Site activities

| | | |
|---|---|----------------------------------|
| Site function | Factory Processing/Manufacturer | |
| Site activities | Primary | Manufacture of plastics products |
| | Secondary | |
| | Other | |
| Product type | SPC floorings and accessories, PVC wall panel | |
| Process overview | <p>The main products of the facility are SPC floorings and accessories, PVC wall panel. The main production processes are listed as follows: Raw materials mixing, Extrusion UV coating, Click & lock profile system, Underlayment, Inspection and Packing. The facility has 05 production lines.</p> <p>The main machine list submitted by the facility comprises: raw materials mixing machines, extrusion machines, UV coating machines, Click&lock profile systems, Underlayment machines, packaging machines, air compressors, forklifts, cranes, lifts.</p> | |
| What level of mechanization best describes the work at this site? | Fair mechanisation / manual Labour | |

Site scope

| | | |
|---|--|---|
| Is the audited site a physically continuous area? | Yes | |
| What is the area of audited site to its boundary? | 27937m ² | |
| Building 1 | Last construction works on site | 2018 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | One 02-storey building in which ground floor was occupied for office area, medical room, production sections and material warehouse and 01st floor was occupied for office area, production sections and eating area. |

Site scope

| | | |
|--|--|---|
| Building 2 | Last construction works on site | 2018 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | One 02-storey building in which ground floor was occupied for packing area and finished goods warehouse and 01st floor was occupied for production section. |
| Is there any difference between the site scope of the audit and the Sedex site profile? | No | |
| Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? | No | |
| Is any activity conducted onsite not included within the scope of the audit? | No | |

Worker accommodation and transport

| | |
|---|--|
| Are there any site-provided worker accommodation buildings? | No |
| Does the site organise worker transport to the worksite? | Not provided The facility did not provide worker transport. |

Work patterns

| | | | | |
|---|-----------|---------|----------|---------|
| Approximate workers on site per month (% of peak) | January | 95-100% | February | 95-100% |
| | March | 95-100% | April | 95-100% |
| | May | 95-100% | June | 95-100% |
| | July | 95-100% | August | 95-100% |
| | September | 95-100% | October | 95-100% |
| | November | 95-100% | December | 95-100% |

Work patterns

| | |
|--|---|
| Is there any night or back shift work at the site? | Yes Production sections worked in 03 shifts in shift 1 is from 6:00 am to 14:00 pm with 30 break times, shift 2 is from 14:00 pm to 22:00 pm with 30 minutes break time and shift 3 is from 22:00 pm to 6:00 am of the following day with 45 minutes break time. |
| What percentage of the workforce, including temporary and agency workers, work during the night/ back shift? | 3% |
| Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling? | Yes Selected samples were included sample of workers from each shift. |

Site assessments

| | |
|---|--|
| Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact? | ISO 14001 (Environmental management), Other management system certification 1/ ISO 9001:2015 Certificate no. VN1193-QC issued on August 27, 2024 with validity to August 28, 2027. 2/ ISO 14001:2015 Certificate no. VN1193-EC issued on August 27, 2024 with validity to August 28, 2027. |
| Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? | No No, the site has not assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community. |
| Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? | No No, no Human Rights Impact Assessment (HRIA) was ever conducted at this site. |

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

| | Men | Women | Other | Total |
|-------------------|-------------|------------|-------|------------|
| Number of workers | 151 (83.9%) | 29 (16.1%) | - - | 180 (100%) |

Workers by type

| | Men | Women | Other | Total |
|---|-------------|------------|-------|------------|
| Permanent workers (employees) | 151 (83.9%) | 29 (16.1%) | - - | 180 (100%) |
| Temporary or fixed term employees | 0 - | 0 - | - - | 0 (0%) |
| Agency or subcontracted workers | 0 - | 0 - | - - | 0 (0%) |
| Seasonal workers | 0 - | 0 - | - - | 0 (0%) |
| Self-employed workers | 0 - | 0 - | - - | 0 (0%) |
| Informal workers including home workers | 0 - | 0 - | - - | 0 (0%) |
| Apprentices, trainees or interns | 0 - | 0 - | - - | 0 (0%) |

* % of total workforce

Migrant workers

| | Men | Women | Other | Total |
|-------------------------------|------------|------------|-------|------------|
| Domestic migrant workers | 36 (64.3%) | 20 (35.7%) | - - | 56 (31.1%) |
| International migrant workers | 0 - | 0 - | - - | 0 (0%) |
| Total migrant workers | 36 (64.3%) | 20 (35.7%) | - - | 56 (31.1%) |

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from

Bac Ninh Province, Binh Dinh Province, Dien Bien Province, Ha Giang Province, Ha Nam Province, Ha Noi City, Hai Phong City, Hoa Binh Province, Hung Yen Province, Lai Chau Province, Lao Cai Province, Nam Dinh Province, Phu Tho Province, Son La Province, Thai Nguyen Province, Thanh Hoa Province, Yen Bai Province

Workers by age

| | Men | Women | Other | Total |
|--------------------|------------|-----------|-------|------------|
| 18 - 24 years old | 19 (73.1%) | 7 (26.9%) | - - | 26 (14.4%) |
| 15 - 17 years old | 0 - | 0 - | - - | 0 (0%) |
| Under 15 years old | 0 - | 0 - | - - | 0 (0%) |

* % of total workforce

| | |
|---|---|
| Is the worker analysis data relevant for peak season and current to the audit? | No |
| Describe how this may vary during peak periods | There was no peak season in the facility. |
| Please list the nationalities of all workers, with the three most common nationalities listed first | Vietnamese |

Most common nationalities as approximate % of workforce

| | Men | Women | Other | Total |
|------------|-----|-------|-------|-------|
| Vietnamese | 84% | 16% | - | 100% |

Workers by remuneration type

| | Men | Women | Other | Total |
|---|-------------|------------|-------|------------|
| Workers paid per unit (piece rate) | 0 - | 0 - | - - | 0 (0%) |
| Workers paid based on a mix of 'piece work' and hourly rate | 0 - | 0 - | - - | 0 (0%) |
| Workers paid hourly / daily rate | 0 - | 0 - | - - | 0 (0%) |
| Salaried workers | 151 (83.9%) | 29 (16.1%) | - - | 180 (100%) |

* % of total workforce

Workers by payment cycle

| | Men | Women | Other | Total |
|--------------|-------------|------------|-------|------------|
| Paid daily | 0 - | 0 - | - - | 0 (0%) |
| Paid weekly | 0 - | 0 - | - - | 0 (0%) |
| Paid monthly | 151 (83.9%) | 29 (16.1%) | - - | 180 (100%) |
| Other | 0 - | 0 - | - - | 0 (0%) |

* % of total workforce

If other payment cycle entered, please provide details N/A

People in managerial, supervisory and administrative roles

| | Men | Women | Other | Total |
|-----------------------------------|------------|-----------|-------|-------|
| Employees in management positions | 1 (50%) | 1 (50%) | - - | 2 |
| Supervisors or team leaders | 10 (66.7%) | 5 (33.3%) | - - | 15 |
| Administrative staff | 13 (31%) | 29 (69%) | - - | 42 |

Worker interview summary

| | |
|---|---|
| Gender disaggregated data available | Men and women |
| Which methods of worker engagement were used? | Individual interviews Group interviews |

Digital worker survey participants

| | Men | Women | Other | Total |
|-------------------|-----|-------|-------|-------|
| Number of workers | - | - | - | - |

Were any of the audit findings attributable to the survey?

Was the interview sample representative of all types of nationality and employment types of workers? Yes

Was the interview sample representative of the gender composition of the workforce? Yes

Number and size of group interviews 4 groups of 5

Did workers understand the purpose of the audit? Yes

Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers? Yes

Was there any indication that workers had been 'coached' in how they should respond to questions? No

What was the general attitude of the workers towards their workplace? Favorable

Attitude of workers

| | |
|--|---|
| In which areas did workers raise significant concerns or complaints? | Other (provide details) There were no complaints. |
| What did the workers like the most about working at this site? | Hours worked, rest days or breaks Work atmosphere (e.g. treatment by supervisors) Grievance mechanisms Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.) Pay Training and development Work environment – comfort (e.g. temperature, noise or dust levels) Freedom of movement Equal opportunities Facilities (e.g. rest area, recreation, canteen) Workplace benefits (e.g. child care provisions) Contracts Communication (e.g. from management) Social activities and events |
| Additional comments | Based on the employees' interviews, it was noted that all employees said they were satisfied with the benefits and compensation of the facility. There was no negative information coming from employees. |
| Attitude of workers' committee/union representatives | The Trade Union was cooperative and supportive during the audit. Based on the interview with the Trade Union Chairwoman, association activities were supported by the facility management. |
| Attitude of managers | The facility management showed a cooperative and supportive attitude during the audit. Auditors were allowed to visit all places in the facility. All documents requested were provided on time. At the closing meeting, all findings were accepted by the facility management. |

Workers interviewed by type

| | Total |
|-------------------------------------|-------|
| Permanent workers | 26 |
| Temporary or fixed-term employees | 0 |
| Agency or subcontracted workers | 0 |
| Seasonal workers | 0 |
| Other workers | 0 |
| Total number of workers interviewed | 26 |

Workers interviewed by group/individual

| | Men | Women | Other | Total |
|----------------------------------|-----|-------|-------|-------|
| Workers interviewed in groups | 12 | 8 | - | 20 |
| Workers interviewed individually | 3 | 3 | - | 6 |

Migrant workers interviewed

| | Men | Women | Other | Total |
|---|-----|-------|-------|-------|
| Domestic migrant workers interviewed | 2 | 2 | - | 4 |
| International migrant workers interviewed | 0 | 0 | - | 0 |
| Total migrant workers interviewed | 2 | 2 | - | 4 |

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 3.8% | 0.2% | - | 4.0% |
| Last full calendar year (2024) | 3.4% | 0.3% | - | 3.7% |
| Previous full calendar year (2023) | 3.0% | 0.45% | - | 3.45% |

* Number of workers leaving in last 12 months as a % of average total number of workers on site over the year.

Rate of absenteeism (%)*

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

* Number of days lost through job absence in the year, calculated as (the 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*100

Are accidents recorded? Yes

The accident was recorded by the Health and Safety Committee Representative. Accident records book was made and kept by HR Officer every day. There was no accident in the last 12 months.

Annual number of work related accidents and injuries (per 100 workers)*

| | Men | Women | Other | Total |
|--|-----|-------|-------|-------|
|--|-----|-------|-------|-------|

Annual number of work related accidents and injuries (per 100 workers)*

| | | | | |
|------------------------------------|------|------|---|------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

* Calculated as (number of work related accidents and injuries * 100) / number of total workers.

Lost day work cases (per 100 workers)*

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

* Calculated as (number of lost days due to work accidents and work related injuries * 100) / number of total workers.

Percentage of workers that work on average more than 48 standard hours in a given week

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

Percentage of workers that work on average more than 60 standard hours in a given week

| | Men | Women | Other | Total |
|-----------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |

Percentage of workers that work on average more than 60 standard hours in a given week

| | | | | |
|------------------------------------|------|------|---|------|
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

0. Enabling accurate assessment

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current systems:</p> <ul style="list-style-type: none"> - The facility has a human rights policy and it was posted at the bulletin board. - Based on documents review, Vice Director is responsible for monitoring the implementation of human rights in the facility. - The facility has a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. - Based on interviewed employees, all of employees were aware of human rights. - All suppliers are required to sign the commitment to follow the human rights when signing the business contract with the facility. - Employees are communicated about the human rights on the orientation training and on annual basis. - Labor regulation is posted at the bulletin board. - Based on documents review, employees' interviews and confirmation of facility management, it was noted that the facility communicated the ETI code to all employees. - During documents review and confirmation of facility management, it was noted that the facility communicated the ETI code to its suppliers. - Written policy on business practices has been issued by Admin department. It was stated that the facility forbids all means of bribery, corruption or ethical issues in the operation of the facility. The definitions of forbidden activities were defined in the policy. - Training on business integrity was provided for all relevant employees periodically. - Complaint from workers and suppliers was reported to Vice Director. - There were three ways for the facility to identify the ethical issues in the facility, including feedbacks of employees through hot lines and suggestion boxes, and highly classified email. - Supplier evaluation and selection procedures have been established by admin department. <p>Evidence examined:</p> <ul style="list-style-type: none"> - Management interview and employees' interviews - Human rights policy - Training records - Employee handbook - Anonymous grievance - ETI Code of Conduct posted in local language. - Labor regulation is posted at the bulletin board. - Assignment letter, social compliance policies and procedures, training document and records. | | |

0. Enabling accurate assessment

Data points

| | |
|---|--|
| Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment? | No |
| Did any workers selected by the auditor decline to be interviewed? | No |
| Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? | <p>Yes</p> <p>The facility provided sufficient documents of all employees for review: wage/benefit and working hour records, personal files including age documents, labor contracts, training records and other HR related documents.</p> |

1. Employment is freely chosen

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed clear and comprehensive policies ensuring that all employment is voluntary and that no form of forced, bonded, or involuntary labor is used. These policies also outline specific practices to ensure that workers can freely choose to enter and exit employment relationships, without coercion or undue influence. Additionally, the facility has established procedures to maintain compliance with these policies over time, ensuring that they are regularly reviewed, updated, and enforced. Continuous training and awareness programs are in place to ensure that employees understand their rights regarding voluntary employment. The management regularly audits its processes to prevent any form of labor abuse or unethical practices.
2. The facility has designated a Vice Director whose primary responsibility is to ensure that the facility adheres to both the international Code of Conduct (such as the Base Code or other relevant standards) and all applicable local laws. This Vice Director oversees the implementation, monitoring, and enforcement of policies related to social compliance, ensuring that the facility maintains ethical standards in employment practices. The role includes reviewing employee records, conducting regular audits, ensuring proper documentation is in place, and reporting compliance status to senior management. The Vice Director is also responsible for communicating with external auditors and ensuring that the facility meets the expectations of stakeholders, including clients, customers, and regulatory bodies.
3. The facility's written policies regarding social compliance, especially those that pertain to voluntary employment practices, have been effectively communicated to all employees. These policies are made available through various channels, including posted notices on the employee noticeboard in multiple languages (if necessary) to ensure that all workers understand the employment conditions. Additionally, regular meetings, training sessions, and onboarding processes are in place to reinforce these policies. The facility encourages an open-door policy, where employees are encouraged to raise concerns or report any issues related to social compliance, including violations of voluntary employment standards. The noticeboard serves as a constant reminder for employees of their rights and the facility's commitment to ethical employment practices.
4. A comprehensive social compliance monitoring review was conducted on February 17-18, 2025, to assess the facility's adherence to all relevant standards and policies. The monitoring process included interviews with employees, site inspections, and a review of employment records to ensure that the facility remains compliant with ethical employment standards and local laws. The policies and procedures in place are aligned with both the Base Code and applicable local regulations, providing a strong framework for maintaining a fair, ethical, and legally compliant workplace. The ongoing monitoring efforts, coupled with management's commitment to implementing corrective actions, when necessary, are designed to ensure that the facility remains in compliance over the long term. The context of the site, including the local legal and social environment, has been taken into account in developing these policies, ensuring that they are both practical and sustainable.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current systems:

- The facility has a policy which prohibits forced labour and this was available for review.
- There was a non-formalized application procedure which stated that workers must present their identification for proof of age during the job interview and only copies must be kept in the personnel files and the original given back to the workers.
- No prison labour or forced labour was noted during the audit.
- The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
- All the management staff and security guards were given respective job descriptions which clearly stated their daily duties in compliance with the general concepts of the local laws.
- All 26 selected employees confirmed that they worked at the facility voluntarily and no enforcement to work overtime and the overtime forms were signed by workers before overtime performance.
- Employee's salaries were paid on 13th via bank transfer. During employment, the facility did not deduct or withhold any money from the employee's monthly salary. No deposit was required upon hiring.

Evidence examined:

- Personnel files.
- Resignation records.
- Factory rules.
- Management and workers' interviews.
- Recruitment policy and announcement.

1. Employment is freely chosen

Data points

| | |
|--|----------------|
| If required under local law, is there a published 'modern slavery' or similar statement? | Not Applicable |
| Does the site utilise any workers who are prisoners? | No |
| Does the site use the labour of persons required to work under any government scheme? | No |

1.A. Responsible recruitment and entitlement to work

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

| | |
|---|---|
| Explanation for management systems grades | <p>1. The facility has put in place clear and comprehensive policies and procedures to ensure that all recruitment practices are responsible, ethical, and compliant with both local and international labor laws. These policies explicitly state that recruitment should be free from coercion, discrimination, or exploitation, and that workers' right to work is upheld at all times. The facility ensures that all hired workers have the legal right to work in the country, and that proper documentation and contracts are in place before any employee begins their job. These policies are regularly reviewed and updated as needed to reflect changes in legislation or best practices. Additionally, the facility has systems in place to monitor compliance, ensuring that these policies are maintained, and that recruitment practices continue to align with ethical standards and the legal framework of the country.</p> <p>2. The facility has designated the Vice Director as the key individual responsible for ensuring compliance with the facility's policies and the relevant Code of Conduct, particularly as it pertains to responsible recruitment and workers' right to work. This individual oversees all recruitment processes, ensuring that they adhere to both the facility's internal policies and external legal requirements. The Vice Director is also responsible for training and educating hiring staff on the importance of ethical recruitment practices, ensuring that all candidates are treated fairly, and that documentation is properly verified. They regularly conduct audits, address concerns, and work with legal teams to resolve any potential compliance issues. The Vice Director also serves as the main point of contact for any compliance-related inquiries from employees or external auditors.</p> <p>3. The facility has taken proactive steps to ensure that all employees are aware of the facility's policies on responsible recruitment and the right to work. These policies have been clearly documented and are posted on the employee noticeboard, ensuring that all workers, both new and existing, have access to this important information. The noticeboard displays the key principles of responsible recruitment, including the facility's commitment to fair hiring practices, non-discrimination, and the requirement that all workers have the legal right to work. In addition to the noticeboard, the facility ensures that these policies are discussed during onboarding sessions and reinforced in regular employee meetings. Management encourages employees to ask questions and raise concerns regarding their recruitment and employment rights, fostering an open and transparent environment.</p> <p>4. A social compliance audit was conducted on February 17-18, 2025, to evaluate the facility's adherence to policies and procedures regarding responsible recruitment and the right to work. The audit involved reviewing recruitment documentation, employee contracts, and verification processes, as well as conducting interviews with employees to assess their understanding of their rights and the recruitment process. The results of the monitoring confirmed that the facility is meeting or exceeding the requirements of the Base Code and local labor laws, ensuring that recruitment is ethical, transparent, and in full compliance. The facility's policies and practices are tailored to the specific legal and cultural context of the site, making them highly likely to lead to sustained compliance. The facility is committed to continuous improvement, and ongoing monitoring ensures that the recruitment process remains both legally compliant and ethically sound in the long term.</p> |
|---|---|

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current systems:

- Per documents review, facility management representation and workers' interviews, all workers in the facility were Vietnamese.
- All workers had the proper legal rights to work in this region.
- All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
- No agency staff or foreign worker was used by the facility.

Evidence examined:

- Hiring procedure.
- Personnel files.

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

| | |
|---|--|
| Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes? | Workers are recruited, selected, and hired directly by our company |
| How do the labour providers recruit and hire workers? | N/A - Recruitment providers not used |
| Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey? | 0 |
| Are there any subcontracted workers (including dispatched labour) on site? | No |
| Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview? | Not Applicable |
| Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? | Not Applicable |

Migrant workers

| | |
|---|---|
| Do any workers migrate across international borders to work at this site? | No |
| Percentage of workers that are migrant | 31% |
| Do any workers migrate from other states, provinces or regions within the country to work at this site? | Yes |
| List the sending states/provinces/regions | Bac Ninh Province, Binh Dinh Province, Dien Bien Province, Ha Giang Province, Ha Nam Province, Ha Noi City, Hai Phong City, Hoa Binh Province, Hung Yen Province, Lai Chau Province, Lao Cai Province, Nam Dinh Province, Phu Tho Province, Son La Province, Thai Nguyen Province, Thanh Hoa Province, Yen Bai Province |

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?

Not Applicable

Were recruitment fees or costs identified during worker interviews?

No

During the employees' interview, they said that they did not pay anything during the recruitment and employment process.

2. Freedom of association and right to collective bargaining are respected

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed and implemented robust policies and procedures that guarantee employees' rights to freely associate and engage in collective bargaining activities. These policies explicitly ensure that workers are free to form or join trade unions or any other representative bodies without fear of retaliation, intimidation, or coercion. The facility also respects employees' rights to engage in collective bargaining to negotiate working conditions, wages, and benefits. These policies are designed to comply with international labor standards and local laws, providing employees with a clear understanding of their rights. Regular internal reviews and updates to these policies are conducted to ensure they align with any changes in legal frameworks or best international practices, thereby maintaining the highest standards of freedom of association and collective bargaining.
2. The facility has appointed the Vice Director to take primary responsibility for ensuring that all policies and practices regarding freedom of association and collective bargaining are strictly adhered to. The Vice Director ensures that the facility complies with both the internal Code of Conduct and external labor laws related to workers' rights. This includes overseeing any issues or concerns raised by employees about their freedom to associate or engage in collective bargaining. The Vice Director plays a critical role in communicating these rights to employees, ensuring that no one faces discrimination or retaliation for their participation in union activities or collective bargaining. Additionally, they monitor the effectiveness of the facility's implementation of these rights and work closely with external auditors and legal counsel to guarantee ongoing compliance.
3. To ensure that all employees are fully aware of their rights regarding freedom of association and collective bargaining, the facility has prominently displayed written policies and procedures on the employee notice board. These policies are clearly communicated in simple language, available in multiple languages if necessary, so that every worker has access to the information regardless of their background or literacy level. In addition to the noticeboard, the facility conducts regular meetings and training sessions where the Vice Director and other senior staff explain these rights and ensure that employees understand their ability to join unions, participate in collective bargaining, and voice concerns without fear of retaliation. The facility fosters a transparent and open environment by encouraging employees to raise any issues related to these rights.
4. A comprehensive social compliance monitoring review was conducted on February 17-18, 2025, to assess the facility's adherence to its policies related to freedom of association and collective bargaining. The audit included interviews with workers, reviewing union representation (if applicable), and ensuring that employees are fully aware of their rights to organize and negotiate collectively. The facility's policies and practices were found to be in full compliance with the Base Code and local labor laws. The monitoring process confirmed that these policies are well-suited to the context of the facility, ensuring that they remain effective in promoting workers' rights and fostering a fair workplace. Based on the outcomes of this review, the facility has demonstrated a high likelihood of sustaining compliance in the future, with an ongoing commitment to supporting freedom of association and collective bargaining for all employees.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current systems:

- Trade Union of AN CUONG HIGH – TECH BUILDING MATERIALS JOINT STOCK COMPANY has been established on September 19, 2023 with 3 members.
- Based on employees' interviews, all selected employees said they were given the full rights to join any legal and external associations, and all of them were union members. And they had all rights in wages and benefits and working conditions as others.
- Interviewed workers confirmed that the members of Trade Union of AN CUONG HIGH – TECH BUILDING MATERIALS JOINT STOCK COMPANY had been elected by fellow workers.

Evidence examined:

- Minutes of the meeting conducted on March 31, 2025.
- Site policy on freedom of association.
- Interview with workers.

2. Freedom of association and right to collective bargaining are respected

Data points

| | |
|---|---|
| Are trade unions allowed by law in the national context? | Yes |
| Are there any registered trade unions in the workplace? | Yes |
| Are they active? | Yes, Trade Union of AN CUONG HIGH – TECH BUILDING MATERIALS JOINT STOCK COMPANY was established on September 19, 2023 with 3 members. |
| Does the employer recognise the trade union? | Yes |
| Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? | Yes |
| Are the worker representatives freely elected by the workforce as a whole? | Yes |
| Does union/worker committee membership reflect the gender composition of the workforce? | Yes |
| Does the membership reflect the nationality composition of the workforce? | Not Applicable |
| Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? | No |

3. Working conditions are safe and hygienic

Management systems

| | |
|--|-----------------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Fundamental Improvements Required |

Management systems

Explanation for management systems grades

1/ The facility has implemented clear policies and procedures that directly address working conditions, ensuring a safe, healthy, and productive environment for all employees. These policies cover essential areas such as workplace safety, ergonomics, cleanliness, lighting, ventilation, temperature control, and access to necessary amenities. They are designed to comply with both local and international standards for occupational health and safety. Additionally, the facility has set up mechanisms to regularly review and update these policies to align with changing laws, industry best practices, and the evolving needs of the workforce. These policies are maintained through continuous assessments, inspections, and consultations with employees to ensure they remain relevant, practical, and effective in promoting safe working conditions.

2/ The facility has appointed Vice Director to oversee compliance with the Code, particularly concerning the working conditions in the facility. The Vice Director is responsible for ensuring that all health and safety regulations are followed, workplace hazards are mitigated, and any necessary corrective actions are taken in response to safety concerns. This role involves monitoring workplace conditions, conducting safety audits, facilitating employee safety training, and ensuring that appropriate safety equipment is available and maintained. The Vice Director also works closely with management to ensure that the facility meets all legal requirements and internal policies related to workplace safety and takes the lead in responding to incidents or violations.

3/ The facility has communicated its written policies and procedures regarding social compliance, including working conditions, to all employees. These policies are prominently displayed on noticeboards throughout the facility, ensuring that workers are regularly reminded of their rights and responsibilities concerning workplace safety and conditions. The most recent social compliance monitoring took place on February 17-18, 2025, where the facility's adherence to these policies was evaluated. However, the issues were identified during the monitoring and these findings suggest that while the policies are communicated, there may be gaps in the training system or implementation, leading to lapses in the proper management of working conditions. This highlights the need for improved training or more stringent enforcement of safety protocols to address such hazards effectively.

4/ The facility's monitoring system may not be fully effective in identifying and addressing issues related to working conditions, as evidenced by several lapses in implementation. These findings point to potential weaknesses in the monitoring system or incomplete policies that are not being fully implemented. The facility needs to reassess its current monitoring processes, ensure that all policies are comprehensive, and provide additional training to employees to avoid such issues in the future. Ensuring that all safety measures, equipment, and procedures are properly followed is essential for maintaining safe and compliant working conditions.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------------------------------|
| 3. Working conditions are safe and hygienic | 3.H Where identified as necessary to reduce r... | §1 | NC ZAF600894946 |
| | 3.O Implement an appropriate electrical safet... | §2 | NC ZAF600894947 |
| | 3.N Maintain a log of all hazardous substance... | §3 | NC ZAF600894948 |
| | 3.N Maintain a log of all hazardous substance... | §4 | NC ZAF600894949 |
| | 3.N Maintain a log of all hazardous substance... | §5 | NC ZAF600894950 |

Systems and evidence examined to validate this code section

Current Systems:

1. General Health and Safety management
 - HR Manager and Health and safety Officer have been assigned to be in charge of health, safety and environment issues in the facility.
 - The general housekeeping is clean and tidy. The cleaning team with 2 persons are in charge of cleaning and hygiene of whole workshop building.
 - The toilet facility was separated for male and female and equipped with clean water and soap.
2. Fire Safety
 - The facility conducted the emergency evacuation drill on July 16, 2024 with the local fire police with all workers joined this drill.
 - Warning signs of no smoking and no fire were posted in the facility.
 - Through facility tour, the evacuation maps are posted at all exit doors of the workshop floor.
 - Evacuation routes with arrows for direction were painted on the floor in all production sections.
 - The firefighting equipment and system were inspected every year by local firefighting department.
3. Electrical safety
 - There were competent electricians at the site and their training certificates were available for review.
4. Medical services
 - First aid kits were installed at all sections in the facility.
 - Latest health check was conducted on January 7, 2025.
5. Machine safety
 - 05 air compressors, 07 forklifts, 03 cranes and 04 lifts were certified by the local authority. The air compressors were inspected with validity to September 27, 2026; the forklifts were inspected with validity to September 27, 2026; the cranes were inspected with validity to September 27, 2026 and the lifts were inspected with validity to September 27, 2026.
6. Chemical safety
 - PPE was provided for employees who work with chemicals.

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.
- Drinking water test records.
- Maintenance plan and records for machines, firefighting equipment, electricity.
- Chemical handling, storage procedures
- Machine inspection certificates.
- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Building structure safety certificate
- Trained first aider register
- Interviews with workers and H&S committee members
- Accident reports
- Potable water testing certificates

Findings: non-compliances

ZAF600894946

Non-compliance

Due 2025-05-22

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-04-23)*

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Time given to resolve

30 days

Issue title

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

Verification method

Desktop audit

Description

Based on facility tour, worker interview and facility management confirmation, it was noted that around 5% of observed workers at Extrusion, UV coating, Click&lock profile system sections did not wear earplugs while working at high noise-level area.

Notes: as confirmed by employees the PPEs were provided free of charge.

Ghi nhận công nhân sản xuất không đeo nút chống ồn.

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility should ensure all workers to wear proper PPE when working.

Local law reference

In accordance with Law no. 84/2015/QH13 dated on June 25, 2015, Article 22, point 3: The employer shall provide adequate personal protective equipment for employees who work heavy, harmful or dangerous occupations. Article 23. Personal protective equipment, point 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. In accordance with Circular no. 25/2022/TT-BLDTBXH dated November 30, 2022 - Provision of personal protective equipment in work, Article 5. Rules for providing PPE, point 2: Employers shall list and provide PPE for employees in accordance with the list under Appendix attached hereto and point 3: In addition to listing in accordance with Clause 2 of this Article, employers shall also list and provide PPE for employees in the following cases: a) Occupations and professions not mentioned under Appendix I attached hereto which dangerous and hazardous factors to employees' health are deemed present by employers. b) Occupations and professions mentioned under Appendix I attached hereto which require additional PPE for the purpose of effectively prevent harmful effects of dangerous and hazardous factors in working environments.

Evidence



[NC#278 Did not use earplugs.jpg](#)



* PDF generated at 14:50 (UTC) on 23 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600894947

Non-compliance

Due 2025-05-22

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-04-23)*

Workplace requirement

3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

Time given to resolve

30 days

Issue title

227 - Unmarked/incorrect labels/signage/instructions for electrics

Verification method

Desktop audit

Description

Based on facility tour and facility management confirmation, it was noted that dangerous warning signs were not provided for 02 out of 20 observed electrical control panel at office area. Ghi nhận tủ điện thiếu cảnh báo nguy hiểm.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility should ensure all electrical control panels to be posted with dangerous warning sign.

Local law reference

In accordance with Electricity law no. 61/2024/QH15 dated on November 30, 2024, Article 73. Safety in use of electricity for production, point 1: a) Electrical equipment must ensure quality according to corresponding standards and technical regulations; b) Electrical equipment and instrument systems, lightning protection and earthing systems must be accepted, undergo periodical and surprise inspection and technical safety inspection and be repaired and maintained according to standards and technical regulations on electrical engineering and safety, and other relevant regulations of law. The diagrams of these systems must reflect their actual status and archived together with repair and maintenance documents and inspection records throughout their operation. d) Transmission lines must be designed and installed so that production premises are clear and airy, thus avoiding mechanical or chemical impacts which may cause breakdowns. Metal structures of factories, machinery, metal tubes and lightning conductors must not be used as neutral conductors, dd) The power system in areas where inflammable substances exist must be designed, installed and used according to regulations on fire and explosion prevention and fighting; only specialized equipment and tools for fire and explosion preventing and fighting shall be used as prescribed by law.

Evidence



[NC#227 No danger warning sign.jpg](#)

* PDF generated at 14:50 (UTC) on 23 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600894948

Non-compliance

Due 2025-05-22

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-04-23)*

Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Issue title

240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbundled)

Verification method

Desktop audit

Description

Based on facility tour, worker interview and facility management confirmation, it was noted that there was no secondary containment provided for 08 observed chemical cans containing glue at storage area.

Ghi nhận không có khay chứa phụ cho các thùng hóa chất.

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility should ensure to provide secondary containment for all chemical containers used and stored in the facility.

Local law reference

In accordance with the Law on Chemical No. 06/2007/QH12, Article 21. Storage and maintenance of hazardous chemical in production and trading: Organizations and individuals storing and maintaining hazardous chemicals must observe the following provisions: 1. Meeting requirements for safety distance and safety techniques in chemical storage and maintenance; 2. In the locations where hazardous chemicals stored and/or maintained setting up signal systems as provided for in paragraph e clause 1 Article 12 of this Law; 3. Using technical facilities and equipment as well as those for tackling accidents in accordance with chemical properties respectively; 4. Developing and implementing the accident prevention and mitigation plan in accordance with the provisions as provided for in Chapter VI of this Law. Article 34. Storage and maintenance of hazardous chemical in using: 1. Organizations and individuals using hazardous chemicals in goods production must observe regulations on storing and maintaining hazardous chemicals as provided for in Article 21 of this Law.

Evidence



[NC#240 No secondary containment provided for chemical containers.jpg](#)



* PDF generated at 14:50 (UTC) on 23 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600894949

Non-compliance

Due 2025-05-22

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-04-23)*

Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Issue title

233 - Hazardous substances (e.g. chemicals and pesticides) are stored unlabelled or labelling is incorrect

Verification method

Desktop audit

Description

Based on facility tour and facility management confirmation, it was noted that 01 observed chemical can containing lubricant at storage area was not labelled.
Ghi nhận thùng hóa chất chưa được dán nhãn chi tiết như luật quy định.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility should ensure all chemical containers to be labelled as local law requirement.

Local law reference

In accordance with Decree 113/2017/ND-CP dated October 09, 2017 on specifying and providing guidelines for implementation of certain articles of the law on chemicals, Article 5, clause 3, item b: Chemical containers and packages shall have labels specifying the contents prescribed in regulations of law on chemical labeling. Chemical labels must be stated clearly and resistant to effects of chemicals, weather and normal impacts when handling.

Evidence



[NC#233_2_No label for chemical containers.jpg](#)



[NC#233_1_No label for chemical containers.jpg](#)



* PDF generated at 14:50 (UTC) on 23 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600894950

Non-compliance

Due 2025-06-21

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-04-23)*

Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

Time given to resolve

60 days

Issue title

230 - No material safety data sheet (MSDS) obtained/available

Verification method

Desktop audit

Description

Based on facility tour and facility management confirmation, it was noted that there was no Material safety data sheet (MSDS) provided for 20 observed glue containers at the chemical storage area.
Ghi nhận không có bảng dữ liệu an toàn hóa chất cho các thùng hóa chất tại khu vực lưu trữ.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility should ensure to provide MSDS for all chemical containers used and stored in the facility.

Local law reference

In accordance with Law on Chemical No. 06/2007/QH12, Article 29. Chemical safety data sheets. Point 1. Hazardous chemicals include hazardous substances or mixtures with the content of hazardous substances exceeding the prescribed limit. For hazardous chemicals, chemical safety data sheets must be made. Point 3. A chemical safety data sheet contains the following contents: a/ Identification of the chemical; b/ Identification of hazardous properties of the chemical; c/ Information on the composition of substances; d/ Physical and chemical properties of the chemical; d/ Stability and activity of the chemical; e/ Information on toxicity; g/ Ecological information; h/ First-aid measures; i/ Fire-fighting measures; k/ Incident prevention and response measures; l/ Storage requirements; m/ Effects on humans and requirements for personal protection devices; n/ Requirements on disposal of the chemical; o/ Requirements on transportation; p/ Applicable technical regulations and laws; q/ Other necessary information. In addition, Article 30: Factory using chemical have right to request the manufacturer of hazardous chemical to provide MSDS and factory shall ensure safety information of the chemical shall be available.

* PDF generated at 14:50 (UTC) on 23 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

| | |
|---|--|
| Is someone within the company responsible for health and safety? | Yes, senior manager or business owner Yes, qualified safety officer |
| Do workers operate high risk or heavy machinery or vehicles as part of their jobs? | No |
| Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)? | No |
| Who organises accommodation for workers? | Not applicable |
| Who organises worker transportation between accommodation and worksite? | Not applicable |
| Who organises worker transportation while at work? | Workers organise their own transport |
| Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law? | Not Applicable Based on the facility tour and documents review, it was noted that the floors have not been added since original construction. |
| Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building? | No |
| Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally? | No |
| Does the site have a structural engineer evaluation? | Yes |

4. Child labour shall not be used

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed clear, detailed policies and procedures that strictly prohibit child labor in any form. These policies are in line with international labor standards, such as the ILO (International Labour Organization) conventions, as well as local laws concerning the minimum working age and child protection. The policies outline the facility's commitment to not employ individuals who are under the legal working age and include procedures for verifying the age of all potential employees before hiring. These policies are regularly reviewed and updated to ensure they remain compliant with evolving laws and regulations, providing a robust framework that prevents the exploitation of children. The facility also ensures that any labor related to children, such as in the context of apprenticeships or internships, is educational, voluntary, and complies with both the legal and ethical standards set by the facility.
2. The facility has appointed the Vice Director to oversee and ensure compliance with the Code, particularly in relation to child labor policies. The Vice Director is responsible for ensuring that all hiring practices are in accordance with both the facility's internal child labor policies and the local labor laws. This includes overseeing the recruitment process, verifying the ages of new hires, and maintaining accurate records to prove compliance. The Vice Director is also responsible for training relevant personnel, including hiring managers and supervisors, on how to identify potential violations and ensure that no child labor is employed at the facility. The Vice Director works closely with senior management and legal advisors to address any concerns or potential risks related to child labor and other workforce-related issues.
3. The facility has taken proactive steps to ensure that all employees, from senior management to entry-level staff, are fully informed of the facility's policies regarding child labor. These policies are clearly outlined in written form and posted on the employee noticeboard in areas accessible to all workers. The facility makes sure that these policies are presented in a language that is easily understood by the workforce and that they are clearly visible and available for reference at any time. In addition to the noticeboard, the policies are communicated during orientation sessions for new hires and are reinforced through regular training and meetings. The facility also encourages workers to report any suspected violations of these policies through open channels, promoting a culture of transparency and accountability.
4. A recent social compliance audit was carried out on February 17-18, 2025, to assess the facility's adherence to its policies on child labor and other related social compliance practices. The monitoring process involved reviewing hiring practices, employee records, and verification processes, as well as interviewing workers to ensure they understand the facility's policies regarding child labor. The results of the monitoring indicated that the facility is meeting the requirements of the Base Code and local labor laws, demonstrating a strong commitment to eliminating child labor from its operations. The policies and procedures in place are tailored to the specific legal and social context of the site, ensuring they are practical and enforceable. With these well-implemented policies and continuous monitoring, the facility is positioned to maintain sustainable compliance with all workplace requirements, minimizing the risk of child labor and ensuring ethical labor practices over time.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-------------|-----------------------|-----------|---------|
| No findings | | | |

Systems and evidence examined to validate this code section

Current systems:

- There was procedure for checking ages of workers at application stage and this included checking original ID's while the workers attended the job interview, and their original identification were copied and given back to them whilst copies only were kept in their personnel file.
- Based on provided copies of national ID cards of employees, none showed child labor. The youngest worker present was 18 years old.

Evidence examined:

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

4. Child labour shall not be used

Data points

| | |
|---|----------------|
| Percentage of workers that are age 24 or younger | 14% |
| Enter the legal age of employment | 15 |
| Enter the age of the youngest worker identified | 18 |
| Enter the number of workers under local legal minimum age | 0 |
| Enter the number of workers under 15 years old | 0 |
| Percentage of workers that are apprentices, trainees or interns | 0.0% |
| Were there children present on the work floor but not working at the time of audit? | No |
| Do children live at the accommodation provided to workers? | Not Applicable |

5. Legal wages are paid

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed and implemented clear policies and procedures to ensure that all employees receive wages that comply with the relevant legal requirements. These policies are designed to ensure that wages are at least in accordance with the national minimum wage laws, or any higher standards set by industry regulations. The facility's wage policies cover aspects such as the minimum wage rate, payment schedules, deductions, and overtime pay. The facility also ensures that wages are paid promptly and accurately, and that workers are provided with transparent and understandable pay slips. In addition to adhering to legal requirements, the facility regularly reviews and updates these wage policies to ensure they remain in compliance with changes in local and international labor laws and to promote fair compensation practices. Procedures are in place to ensure that any discrepancies in wage payment are addressed and corrected swiftly.
2. The Vice Director has been appointed as the key individual responsible for ensuring compliance with the legal wage policies and the overall Code of Conduct related to wages. This role involves overseeing the payroll system to ensure all employees are paid according to the legal wage requirements, addressing any issues related to wage discrepancies, and maintaining proper documentation for auditing purposes. The Vice Director is also responsible for educating employees and supervisors about wage policies, ensuring that the workforce understands their rights regarding pay. This individual works closely with finance, legal, and management teams to ensure that all wage-related processes comply with both the legal framework and internal standards. The Vice Director also plays a role in ensuring that the wage system remains transparent and that any employee's concerns regarding their wages are addressed promptly and fairly.
3. The facility has made sure that its policies and procedures related to legal wages are widely communicated to all employees. These policies are displayed on the employee noticeboard in key areas of the facility, ensuring that workers have easy access to information about their wage rights and the facility's commitment to legal compliance. The information on the noticeboard includes details about the wage structure, payment timelines, and how employees can report any concerns regarding wage issues. The facility also uses other communication channels, such as employee handbooks, meetings, and orientation sessions for new hires, to ensure that workers understand their entitlements. These communication efforts aim to create transparency and trust between the facility and its employees regarding wage practices.
4. The most recent social compliance monitoring, which took place on February 17-18, 2025, reviewed the facility's adherence to policies concerning legal wages and other social compliance issues. The monitoring confirmed that the policies in place are appropriate for the facility's context and are likely to ensure continued compliance with both the Base Code and local wage laws.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-------------|-----------------------|-----------|---------|
| No findings | | | |

Systems and evidence examined to validate this code section

Current systems:

- Employees are paid via bank transfer on 13th of the following month. The pay- slip in local language is distributed together with each payment period to each employee.
- All employees are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Employees are paid at 150% of wage for normal overtime.
- The 14 days of annual leave is sufficiently provided to all direct production employees and 12 days of annual leave is sufficiently provided indirectly production employees in the year.
- Total eleven (11) holidays are provided and paid to all employees in the year.
- The sick and maternity leave allowance is paid correctly to all employees in timely basic.
- The severance allowance, wages and entitled benefits have been paid correctly to the resigned employees in compliance with local law.
- The maternity leave of 6 months was provided to all female pregnant employees with full pay.

Evidence examined:

- Approved wage scale.
- The payrolls and attendance records from April 2024 to March 2025 (12 months).
- Annual leave records from April 2024 to March 2025 (12 months).
- Leave applicant records from April 2024 to March 2025 (12 months).
- Employee files and labour contracts of selected employees

5. Legal wages are paid

Data points

| | |
|--|--|
| What is the basic wage paid to workers? | The legal minimum wage Wages are based on job skills and experience Wages meet a living wage |
| Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers? | Only digital payments |
| How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits? | None |

Worker remuneration

| | |
|--|----------------|
| Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers? | Not applicable |
|--|----------------|

Summary information

| | | |
|--|--------------------------|-------|
| Is legal wage/legally recognised CBAs data available for any of these options? | Monthly | |
| Is actual wage data available on site for any of these options? | Monthly | |
| Maximum legal working hours | Max hours per day | 8.0 |
| | Max hours per week | 48.0 |
| | Max hours per month | 208.0 |
| Actual required working hours | Required hours per day | 8.0 |
| | Required hours per week | 48.0 |
| | Required hours per month | 208.0 |

| | | |
|------------------------------|---------------------|----------------|
| Maximum legal overtime hours | Max hours per day | 4.0 |
| | Max hours per week | Non applicable |
| | Max hours per month | 40.0 |
| Actual overtime hours | Max hours per day | 4.0 |
| | Max hours per week | 8.0 |
| | Max hours per month | 16.0 |
| Minimum legal wage | Min per hour | Non applicable |
| | Min per day | Non applicable |
| | Min per week | Non applicable |
| | Min per month | 4960000.0 |
| Actual minimum wage | Actual per hour | 25961.0 |
| | Actual per day | 207692.0 |
| | Actual per week | 1246154.0 |
| | Actual per month | 5400000.0 |
| Minimum legal overtime wage | Min per hour | Non applicable |
| | Min per day | Non applicable |
| | Min per week | Non applicable |
| | Min per month | Non applicable |
| Actual minimum overtime wage | Actual per hour | Non applicable |
| | Actual per day | Non applicable |
| | Actual per week | Non applicable |
| | Actual per month | Non applicable |

Wage analysis

| | |
|---|---|
| Number of workers' records checked | 78 |
| Provide the date and details of the records | 26 selected workers from 1st March to 31st March 2025 (Current month) 26 selected workers from 1st December to 31st December 2024 (Sample month) 26 selected workers from 1st September to 30th September 2024 (Sample month) |

Are there different legal minimum/ legally recognised CBAs wage grades?

No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?

Above legal minimum

Indicate the breakdown of workforce per earnings

100%

Are there any bonus schemes used?

Yes

1/ Toxic allowance: VND 251,500 per month
2/ Housing allowance: VND 100,000 per month
3/ Telephone allowance: VND 100,000 per month
4/ Petrol allowance: VND 100,000 per month
5/ Bonus: VND 3.750,000 – 7,571,096 per month

Were accurate records shown at the first request?

Yes

Were any inconsistencies found?

No

5.A. Living wages are paid

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current systems: According to the payroll records of 26 sample employees from March 2025 (current month), 26 sample employees from December 2024 (sample month) and 26 sample employees from September 2024 (sample month), it was noted that the regular wages of all sampled employees were paid higher than the local minimum wage of VND 4,960,000 per month. All sampled employees were paid 150%, 200% and 300% of their regular wages for their work on weekdays, rest days and holidays respectively which was not less than the statutory requirements. In addition, the facility also provided VND 251,500 per month for toxic allowance, VND 100,000 per month for housing allowance, VND 100,000 per month for telephone allowance, VND 100,000 per month for petrol allowance and VND 3.750,000 – 7,571,096 per month for bonus.</p> <p>Evidence examined: The facility refers to data of living wage in Vietnam calculate by Anker Methodology on Global Living Wage Coalition (GLWC) website. Living wage in Vietnam is VND 8,970,296 per month.</p> | | |

6. Working hours are not excessive

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed clear and well-defined policies and procedures concerning working hours, ensuring they align with both legal standards and the organization's commitment to maintaining fair labor practices. These policies include regulations on daily and weekly working hours, rest periods, overtime pay, and holiday entitlements. The facility ensures that the maximum allowable working hours set by local labor laws are adhered to, and workers are provided with adequate rest and recovery time. In addition to compliance with legal requirements, the facility's working hours policies are designed to promote worker well-being by avoiding excessive overtime and ensuring work-life balance. These policies are regularly reviewed and updated to remain compliant with any changes in local and international labor laws. There are procedures in place to monitor compliance with working hours and to make any necessary adjustments when discrepancies or issues arise.
2. The Vice Director has been designated as the primary individual responsible for overseeing the facility's compliance with working hours regulations, as well as the broader social compliance code. This includes ensuring that the facility's working hours policies are implemented effectively and that all employees are working within legal and contractual limits. The Vice Director is also responsible for addressing any issues or complaints related to working hours, including ensuring that any overtime worked is paid correctly and that rest periods are respected. Additionally, the Vice Director is responsible for ensuring that working hours data is accurately recorded and that any adjustments, such as schedule changes or overtime hours, are appropriately documented. This role also involves regular communication with employees about their working hours and addressing any concerns they may have about their schedules.
3. To ensure transparency and awareness, the facility has communicated its written policies and procedures regarding working hours and social compliance to all employees. These policies are prominently displayed on the employee noticeboards throughout the facility, allowing workers to easily reference the guidelines related to their working hours, rest periods, and overtime pay. The noticeboard includes clear information on maximum working hours, rights to rest, and the procedure for reporting violations or concerns about working hours. Additionally, the policies are communicated during orientation sessions for new employees and reinforced through ongoing training and meetings. The goal is to make sure that all employees, regardless of their role, are fully informed about their rights and the facility's expectations with regard to working hours.
4. A Social Compliance audit was carried out on February 17-18, 2025, which included a review of the facility's adherence to policies regarding working hours. The results of the monitoring indicated that the facility's working hours policies are well-aligned with the site context and local legal requirements, and they are effectively contributing to sustainable compliance with workplace standards. The monitoring also revealed that the facility is on track to maintain compliance with the Base Code and local labor laws in the future. This audit not only assessed the implementation of policies and procedures but also included checks for proper record-keeping, the accuracy of employee schedules, and adherence to prescribed work-rest cycles. The facility's approach to working hours appears to be in good standing, with procedures in place to address any potential issues or adjustments that may arise, ensuring ongoing compliance and worker satisfaction.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current systems:

- The normal working hours of all employees are 6 days a week and 48 hours per week and Sunday is designated as rest day. The normal workweek is from Monday to Saturday. The working hour for office section is from 8:00 am to 17:00 pm with 1 hour break time is from 12:00 am to 13:00 pm and production section worked in 03 shifts in which shift 1 is from 6:00 am to 14:00 pm with 30 minutes break time, shift 2 is from 14:00 pm to 22:00 pm with 30 minutes break time and shift 3 is from 22:00 pm to 6:00 am of the following day with 45 minutes break time.

Based on the provided payrolls and time records, the working hours were noted as following:

- In March 2025: Maximum working hours per week were 56 hours (48 normal hours + 8 overtime hours).
- In December 2024: Maximum working hours per week were 56 hours (48 normal hours + 8 overtime hours).
- In September 2024: Maximum working hours per week were 56 hours (48 normal hours + 8 overtime hours).

Evidence examined:

- Employees' interviews
- Management interview
- Local and national laws
- Facility policy on working hours
- Time records from April 2024 to March 2025.
- Pay slips with recorded hours all workers interviewed
- Workers contracts
- Quality and production records to cross check hours
- Daily production records
- Security logbooks

6. Working hours are not excessive

Data points

| | |
|---|---|
| Is the sample size the same as in the wages section? | Yes |
| Normal day overtime premium as a percentage of standard wages | 150% |
| If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations? | The facility does not pay less than 125%. |
| Excluding overtime, what are the regular working hours per week for workers at this site? | 48.0 |
| Including overtime, what is the average number of working hours per week for full-time workers at this site? | 54.0 |
| In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site? | 56.0 |
| Maximum number of days worked without a day off in sample | 6 |

7. No discrimination is practiced

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed comprehensive no discrimination policies and procedures that align with both legal and ethical standards. These policies are designed to ensure that all employees, regardless of their race, gender, age, religion, nationality, sexual orientation, disability, or any other characteristic, are treated fairly and equitably in all aspects of their employment. The facility's policies prohibit discrimination in hiring, promotions, compensation, training, benefits, and any other aspect of employment. Procedures are also in place for addressing any discrimination complaints that may arise, ensuring that issues are investigated promptly and resolved in a fair and transparent manner. The facility ensures that these policies are regularly reviewed and updated to reflect changes in local and international laws and to foster a diverse, inclusive, and respectful workplace environment.
2. The Vice Director has been designated as the key individual responsible for overseeing the facility's compliance with its non-discrimination policies. This role involves ensuring that all aspects of employment, from recruitment to termination, are carried out in accordance with the facility's non-discrimination guidelines. The Vice Director is tasked with addressing any complaints related to discrimination and ensuring that the investigation process is thorough and impartial. They are also responsible for promoting the facility's commitment to diversity and inclusion by ensuring that policies are adhered to across all departments. Additionally, the Vice Director plays a critical role in training managers and supervisors on how to recognize and prevent discrimination, fostering a work culture that values equality and fairness.
3. The facility has ensured that its non-discrimination policies are communicated clearly and effectively to all employees. These policies are prominently displayed on employee noticeboards in key areas of the facility, ensuring that workers can easily access information about their rights and the facility's commitment to providing a discrimination-free workplace. The policies cover areas such as recruitment, treatment in the workplace, and the process of filing complaints. In addition to the noticeboard, the facility includes this information in employee handbooks and during orientation sessions for new hires. Regular workshops, training sessions, and discussions are also held to reinforce the importance of non-discrimination, helping employees understand their rights and encouraging an open, respectful workplace culture.
4. The most recent Social Compliance audit was conducted on February 17-18, 2025, to assess the facility's adherence to non-discrimination policies and overall social compliance. The audit confirmed that the facility's policies and procedures are well-suited to the site context and are aligned with both local labor laws and international human rights standards. The monitoring found that the facility's non-discrimination policies are being implemented effectively, with no significant instances of discrimination reported. Furthermore, the facility's processes for addressing complaints and ensuring equitable treatment are robust and transparent. Based on the findings of the audit, it is highly likely that the facility will continue to meet compliance requirements in the future and sustain a non-discriminatory environment for its employees.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-------------|-----------------------|-----------|---------|
| No findings | | | |

Systems and evidence examined to validate this code section

Current systems:

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

Evidence examined:

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

7. No discrimination is practiced

Data points

| | |
|---|------------|
| Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? | 1% |
| Representation of women in managerial roles (ratio of women workers to women managers) | 3% |
| Representation of women in supervisory roles (ratio of women workers to women supervisors) | 17% |
| Three most common nationalities in managerial and supervisory roles | Vietnamese |

8. Regular employment is provided

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has implemented clear and comprehensive policies related to regular employment, which ensure compliance with local labor laws and international labor standards. These policies define regular employment as ongoing, full-time work where employees are entitled to a range of benefits and protections, such as job security, appropriate compensation, and access to social benefits (e.g., healthcare, retirement plans, paid leave). The facility's procedures outline the process for hiring, terms of employment, probationary periods (if applicable), and the rights of employees under regular employment contracts. These policies are designed to ensure that employees are not subject to unfair treatment or insecure working arrangements, such as casual or temporary contracts, unless clearly outlined and agreed upon. The facility is committed to maintaining these policies and reviewing them regularly to ensure their relevance and compliance with any changes in labor laws or industry best practices.

2. The Vice Director plays a pivotal role in ensuring that the facility adheres to its regular employment policies and all relevant labor laws. The Vice Director is responsible for overseeing the recruitment process, ensuring that employees are hired under regular employment contracts that comply with both the legal framework and the facility's internal standards. The Vice Director also ensures that the terms of regular employment, such as benefits, working hours, and job security, are clearly communicated and maintained throughout the course of employment. If any issues arise related to regular employment practices, the Vice Director is tasked with resolving them, ensuring that employees' rights are protected, and that the facility maintains a compliant and fair work environment.

3. To ensure transparency and inform all employees of their rights under regular employment contracts, the facility has posted its policies and procedures regarding regular employment on the noticeboard. This allows all employees to easily access information about their employment rights, including job security, benefits, and working conditions. The policy outlines the facility's commitment to providing stable, full-time employment and the rights employees can expect under such arrangements. In addition to the noticeboard, the policies are included in employee handbooks, explained during orientation for new hires, and revisited during periodic training or meetings. This ensures that employees, regardless of their role, understand their entitlements and the facility's commitment to regular employment.

4. A Social Compliance audit was conducted on February 17-18, 2025, with a focus on evaluating the facility's adherence to policies regarding regular employment and other workplace standards. The audit found that the facility's policies and procedures are well-aligned with the site context and comply with both local laws and the Base Code's requirements. The monitoring showed that the facility has made a clear commitment to providing regular employment to its workforce and maintaining compliance with legal protections for employees in permanent employment. Based on the findings from this audit, it is expected that the facility will continue to maintain these practices, ensuring ongoing compliance with labor laws and creating a stable, fair working environment for all employees.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-------------|-----------------------|-----------|---------|
| No findings | | | |

**Systems and evidence examined to
validate this code section**

Current systems:

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

Evidence examined:

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

8. Regular employment is provided

Data points

| | |
|---|--------|
| Percentage of workers that are permanently or temporarily employed | 100.0% |
| Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment | 0.0% |
| Percentage of workers employed as apprentices, trainees or interns | 0.0% |

8.A. Sub-contracting and homeworkers are used responsibly

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed detailed policies and procedures related to sub-contracting and the engagement of homeworkers to ensure compliance with labor laws and social standards. These policies are designed to prevent the misuse of sub-contracting arrangements and ensure that workers engaged as homeworkers are provided with fair compensation, safe working conditions, and proper legal protections. The facility ensures that any subcontractors or homeworkers engaged in production or service delivery are held to the same standards as direct employees, including compliance with health and safety regulations, fair wages, and non-discrimination policies. The facility's procedures ensure that sub-contracting arrangements are transparent, documented, and aligned with labor laws. Additionally, the facility is committed to regularly reviewing and updating these policies to adapt to any changes in laws, regulations, or industry best practices regarding subcontracting and homeworkers.
2. The Vice Director has been specifically designated to oversee compliance with the facility's policies related to sub-contracting and homeworkers. This responsibility includes ensuring that all subcontractors hired by the facility adhere to the same labor standards as direct employees, such as ensuring fair wages, safe working conditions, and respect for workers' rights. The Vice Director is also responsible for ensuring that any homeworkers are treated equitably, provided with the necessary tools, training, and protections, and are compensated fairly for their work. In addition, the Vice Director monitors the subcontracting process to ensure that no exploitation of workers occurs and that all subcontractors and homeworkers are registered and compliant with the facility's policies and relevant labor laws.
3. The facility has communicated its sub-contracting and homeworker policies to all employees through the noticeboard to ensure transparency and understanding. These policies are displayed prominently in areas where employees can easily access and read them. The policies outline the rights and protections of subcontracted workers and homeworkers, ensuring all employees are aware of the standards the facility adheres to. Additionally, the policies are provided during onboarding, and training sessions are held to ensure all workers, including subcontractors and homeworkers, are aware of their rights and responsibilities. The facility also makes sure that the policies regarding subcontracting are clear and communicated to all staff who might be involved in or affected by subcontracting relationships.
4. A Social Compliance audit was conducted on February 17-18, 2025, to assess the facility's adherence to policies on sub-contracting and homeworkers. The audit confirmed that the facility's policies and procedures regarding subcontracting and homeworkers are in line with both local laws and the Base Code, and the policies are clearly communicated to all relevant parties. The monitoring revealed that the facility has established a framework that ensures that subcontractors and homeworkers are treated fairly, with protections similar to those provided to direct employees. This includes regular checks to verify the conditions under which homeworkers are working and ensuring that subcontractors are compliant with the facility's standards for ethical labor practices. Based on the audit's findings, the policies and procedures are considered appropriate for the site's context and are expected to ensure continued compliance with both the Base Code and local labor laws.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

**Systems and evidence examined to
validate this code section**

Current systems:

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

Evidence examined:

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

8.A. Sub-contracting and homeworkers are used responsibly

Data points

Are homeworkers employed directly or engaged through an agent? Not applicable

Gender disaggregated data available

Number of homeworkers used

| | Men | Women | Other | Total |
|-------------------|-----|-------|-------|-------|
| Number of workers | - | - | - | - |

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The facility did not buy products or services from suppliers that use homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
- Site tour showed that production processes were done by the facility.
- There were no subcontractors or home workers used by the facility.

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has implemented strong policies and procedures aimed at ensuring that all employees are treated with dignity and respect. These policies strictly prohibit any form of harsh or inhumane treatment, including physical abuse, verbal abuse, harassment, or any treatment that would compromise the well-being and safety of workers. The policies clearly define what constitutes harsh or inhumane treatment and set out clear actions that must be taken to prevent and address any such incidents. The facility maintains these policies by regularly reviewing and updating them in accordance with both legal standards and industry's best practices. The procedures for handling complaints and incidents of harsh treatment are outlined in detail, including how employees can report such incidents confidentially and how investigations will be conducted. The facility's management team is committed to upholding a zero-tolerance policy for any form of mistreatment, ensuring a safe, respectful, and supportive work environment for all.
2. The Vice Director is responsible for overseeing the enforcement of the no harsh or inhumane treatment policies. This role includes ensuring that all employees are aware of their rights and that any complaints of mistreatment are taken seriously and investigated promptly. The Vice Director is responsible for implementing training programs for all staff, including management and supervisors, to ensure they understand the facility's zero-tolerance policy for harsh or inhumane treatment. In the event of any reported incidents, the Vice Director oversees the investigation process and ensures that appropriate actions are taken, including disciplinary measures if necessary. The Vice Director also works to ensure that employees feel safe and supported in reporting any issues, creating a culture of respect and accountability.
3. To ensure that all employees are aware of their rights and the facility's commitment to preventing harsh or inhumane treatment, the facility has prominently displayed its policies and procedures on the noticeboard in key areas of the facility. These policies are communicated to employees in accessible and clear language, ensuring that all workers, regardless of their role, understand the facility's expectations. The noticeboard serves as a reminder to employees that their rights to work in a safe, respectful, and non-abusive environment are a top priority. In addition to the noticeboard, the facility incorporates these policies into employee handbooks and regularly reinforces them during orientation and training sessions. The facility also fosters an open-door policy, encouraging employees to voice any concerns they may have regarding mistreatment, ensuring they know how to seek help and what processes are in place to protect them.
4. A Social Compliance audit was conducted on February 17-18, 2025, to evaluate the facility's adherence to its no harsh or inhumane treatment policies. The monitoring revealed that the facility's policies and procedures are well-suited to the site's context and are fully aligned with both local laws and the Base Code. The audit found that the facility has a strong culture of respect and zero tolerance for any form of inhumane treatment. The facility's practices for preventing and addressing incidents of mistreatment are robust and have been consistently followed. The monitoring also found that employees are aware of their rights and are confident in the processes available to report any mistreatment without fear of retaliation. The policies and practices are considered effective and are likely to ensure sustainable compliance with the Workplace Requirements in the Base Code Area as well as local labor laws moving forward.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current systems:

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

Evidence examined:

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

9. No harsh or inhumane treatment is allowed

Data points

| | |
|--|--|
| Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')? | Yes, there is a formal grievance process The grievance process is available to all workers The grievance process is available to members of the local community |
| What type of grievance mechanism(s) are available? | There is an internal process for grievance which a grievance box was installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management without any reprisal for the worker in question. This system was installed, and most of workers knew about this. |
| Number of grievances raised in the last 12 months | 0 |
| Number of grievances resolved in the last 12 months | 0 |

10.A. Environment 2-Pillar

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has implemented comprehensive policies and procedures to ensure a safe and environmentally responsible work environment. These policies are designed to promote a sustainable workplace, focusing on the health and well-being of employees and minimizing any adverse impact on the environment. The policies cover various aspects, such as waste management, energy efficiency, water conservation, air quality, and the handling of hazardous materials. The procedures are aimed at maintaining a clean and safe work environment, ensuring that the facility operates in compliance with both local environmental regulations and international environmental standards. The facility is committed to regularly reviewing and updating these policies to reflect any changes in environmental laws, technological advancements, or best practices, ensuring continuous improvement in environmental performance and employee safety.
2. The Vice Director has been appointed to ensure compliance with the environmental policies and to oversee the implementation of health and safety standards in the workplace. This role involves ensuring that all environmental policies are integrated into the facility's day-to-day operations, training employees in their responsibilities regarding environmental practices, and monitoring the implementation of those practices. The Vice Director is also responsible for addressing any environmental concerns that employees may raise, ensuring that any issues are resolved promptly and in line with the facility's policies. Furthermore, the Vice Director plays a key role in maintaining records related to environmental practices and ensuring that the facility's operations continue to meet or exceed the relevant environmental regulations.
3. To ensure transparency and employee awareness, the facility has displayed its environmental compliance policies and procedures on the noticeboard in prominent areas around the facility. This ensures that all employees have easy access to information regarding the facility's environmental goals, safety measures, and the roles and responsibilities of employees in achieving those goals. The Environment approach focuses on addressing two critical areas: maintaining a healthy and safe working environment for employees and reducing the facility's environmental impact. These policies are communicated in simple, clear language to ensure that every employee understands their role in maintaining a sustainable and safe environment. In addition to the noticeboard, these policies are included in employee handbooks and discussed during training sessions, making it easier for employees to align their actions with the facility's environmental and workplace requirements.
4. A Social Compliance audit was conducted on February 17-18, 2025, to assess the facility's adherence to its environmental compliance policies and overall workplace standards. The audit found that the facility's policies and procedures are highly effective and well-suited to the site context. The monitoring revealed that the facility is actively meeting the workplace requirements as outlined in the Base Code and complies with all local environmental regulations. The policies in place are not only likely to meet the current standards but are also expected to ensure long-term sustainability by fostering continuous improvement in both environmental and workplace safety practices. The audit also indicated that the facility is on track to achieve ongoing compliance with environmental regulations, further contributing to a positive working environment that aligns with international sustainability standards.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|-------------------------------------|-----------|-------------|
| | | | No findings |
| Systems and evidence examined to validate this code section | N/A since this is a 4-Pillar audit. | | |

10.A. Environment 2-Pillar

Data points

| | |
|---|--|
| Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)? | No |
| Does the site have any valid environmental or energy management certificates? | The Environment permit no. 376/GPMT-UBND was approved by local authority on February 12, 2025 with validity to 10 years. |
| Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))? | No |
| Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change? | No |

10.B. Environment 4-Pillar

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current systems:</p> <ul style="list-style-type: none"> - Based on the facility tour, it was observed that general housekeeping in the production areas is in good conditions and organizations. - All wastes including production, living and hazardous wastes are separated in storage. - Based on interviewed employees, all of employees satisfied with the environmental conditions of the facility. - The Environment permit no. 376/GPMT-UBND was approved by local authority on December 2, 2025 with validity to 10 years. - Hazardous waste collecting and treatment contract was signed with contractor qualified by local authority on January 2, 2025 (validity for 1 year). - Environmental policy was posted on notice board. - Person in charge of implementing & maintaining Environmental issues was HR Manager. <p>Evidence examined:</p> <ul style="list-style-type: none"> - Environmental policy - Energy bills - Water bill - Employees' and management interview. - Site tour | | |

10.B. Environment 4-Pillar

Data points

| | |
|--|---|
| Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks? | Yes |
| What additional specific environmental policies does the site capture? | Biodiversity and eco system impact management Responsible use and management of water Sustainable material sourcing |
| Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? | Yes The HR Staff was in charge of checking client's requirements and legislation regarding environmental every month. |
| Does the site have reduction targets in place to manage climate related risks? | None |
| Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))? | Yes Turn off electricity if not needed. Reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions were set up at the beginning of the year. |
| Has the site 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? | Yes Facility has a procedure to check and make sure their 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

| | Last full calendar year (2024) | Previous full calendar year (2023) |
|--|--------------------------------|------------------------------------|
| Total electricity consumption from non-renewable sources (kWh) | 11,385,297 | 12,495,426 |
| Total electricity consumption from renewable sources (kWh) | Data not available | Data not available |
| Sources of renewable energy used | Data not available | Data not available |
| Types of renewable energy used | Data not available | Data not available |

| | | |
|---|--------------------------------------|--------------------------------------|
| Total natural gas consumption (kWh) | 0 | 0 |
| Usage of other purchased fuels | Data not available | Data not available |
| Has the site completed any carbon footprint analysis? | No | No |
| Water sources | Local water authority | Local water authority |
| Does the site use mercury or mercury compounds? | No | No |
| Water volume used (m3) | 49,555 | 38,898 |
| Water discharged | Industrial wastewater treatment plan | Industrial wastewater treatment plan |
| Water volume discharged (m3) | 39,644 | 31,118 |
| Water volume recycled (m3) | 0 | 0 |
| Total waste produced (mt) | 112,862 | 114,550 |
| Total hazardous waste produced (mt) | 12,570 | 11,250 |
| Waste to recycling (mt) | 0 | 0 |
| Waste to landfill (mt) | 0 | 0 |
| Waste to other (mt) | 56,070 | 36,170 |
| Total product produced (mt) | 22,700,000 | 26,600,000 |

10.C. Business ethics

Management systems

| | |
|--|---------------------------|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |

Management systems

Explanation for management systems grades

1. The facility has developed and implemented comprehensive business ethics policies and procedures to ensure that all business activities are conducted with integrity, transparency, and fairness. These policies are designed to prevent unethical behavior, such as bribery, corruption, conflicts of interest, and other unethical practices, and to ensure that all business transactions are handled in an ethical and responsible manner. The policies outline the expectations for ethical behavior, both in dealings with employees, suppliers, and customers, and include guidelines on reporting unethical behavior. The facility is committed to maintaining these policies by reviewing and updating them regularly to stay compliant with evolving regulations, industry standards, and best practices. The procedures are embedded in the facility's operations to ensure that business ethics are upheld at all levels of the organization.

2. The Vice Director has been appointed to oversee and ensure compliance with the business ethics policies and the broader Code of Conduct. This senior leadership role is crucial in setting the tone for the organization and fostering a culture of ethical behavior throughout the facility. The Vice Director is responsible for enforcing the business ethics policies, monitoring compliance, and taking corrective actions if any violations occur. They also play an active role in promoting ethical behavior across all levels of the organization by leading by example, conducting training, and ensuring that employees understand and adhere to the company's ethical standards. Additionally, the Vice Director works to ensure that all stakeholders, including suppliers and contractors, adhere to the same ethical standards, further reinforcing the facility's commitment to integrity.

3. The facility has made its business ethics policies and procedures easily accessible to all employees through the noticeboard in prominent areas of the workplace. This method ensures that employees are constantly reminded of the ethical standards expected of them and can reference the policies at any time. The policies are communicated in simple, clear language to ensure that all workers, regardless of their role, can understand and follow them. These policies have been part of the employee onboarding process and are reinforced during regular training sessions to ensure employees fully comprehend their responsibilities related to business ethics. The facility also maintains a strong whistleblowing system for employees to report unethical behavior confidentially. The last Social Compliance monitoring on February 17-18, 2025, confirmed that the facility's business ethics policies are being properly communicated and adhered to, with no major compliance issues reported.

4. The facility's business ethics policies were reviewed during January 2025, Social Compliance audit and found to be well-suited to the site context. The monitoring revealed that these policies not only align with the Base Code but also meet or exceed the local laws concerning business practices and ethical behavior. The facility's commitment to ethical conduct is demonstrated by the consistent application of these policies across all levels of the organization. The monitoring also highlighted that the facility has created a strong framework for sustainable compliance, with procedures in place to regularly review and update business ethics practices, ensuring continuous alignment with both legal requirements and global best practices. The audit concluded that the facility's approach to business ethics is highly effective and likely to ensure long-term compliance with workplace requirements and legal standards.

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current systems:

- The Business Ethics policy concerning bribery, corruption, or unethical Business Practice was established.
- The facility was conducted a training for all employees to clearly understand about the Business Ethics policy.
- The facility communicated the business ethics policy to their supplier.
- 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 assigned Factory Vice Director responsible for Business Practices, integrity/ ethical issues.
- The facility issued the procedure to control and handle of grievances. There were 2 feedback channels that allow employees to report integrity/ ethical issues including suggestion box and directly.

Evidence examined:

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

10.C. Business ethics

Data points

| | |
|---|-----|
| Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)? | No |
| Provide any certified anti-bribery management systems for the site | Nil |

Attachments



[VN_ACHTM_1_AN CUONG
HIGH - TECH BUILDING
MATERIALS JOINT STOCK
COMPANY SMETA
4P_Signed CAP_14 April
2025.pdf](#)



[1. Facility name.jpg](#)



[2. Facility main gate.jpg](#)



[3. Facility overview.jpg](#)



[4. Security room.jpg](#)



[5. Parking lot.jpg](#)



[6. Material warehouse.jpg](#)



[7. Mixing section.jpg](#)



[8. Extrusion section.jpg](#)



[9. UV coating section.jpg](#)



[10. Click&lock profile system
section.jpg](#)



[11. Underlayment section.jpg](#)





[12. Packaging section.jpg](#)



[13. Finishing goods warehouse.jpg](#)



[14. Assembly point.jpg](#)



[15. Fire extinguishers.jpg](#)



[16. Fire alarm system.jpg](#)



[17. Evacuation route.jpg](#)



[18. Fire hydrant and fire hose reel.jpg](#)



[19. Emergency exit equipped with exit sign and emergency light.jpg](#)



[20. Firefighting equipment for the firefighting team.jpg](#)



[21. Evacuation plan.jpg](#)



[22. Sprinkler system.jpg](#)



[23. Automatic fire extinguishers.jpg](#)



[24. Chemical containers were stored in secondary containment at the chemical storage area.jpg](#)



[25. MSDS.jpg](#)



[26. Dining area.jpg](#)



[27. Medical room.jpg](#)



[28. ETI code posted.jpg](#)



[29. Lockers for employee.jpg](#)



[30. Notice board.jpg](#)



[31. Worker break room.jpg](#)



[32. Machine safety warning.jpg](#)



[33. Electrical panels with dangerous warning sign posted.jpg](#)



[34. Toilet area separated by gender.jpg](#)



[35. Stairwell equipped with both handrails.jpg](#)



[36. PPE being used.jpg](#)



[37. Vertical ladder equipped with safety cover.jpg](#)



[38. Emergency first aiders.jpg](#)



[39. Suggestion box.jpg](#)



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