Sedex Members Ethical Trade Audit Report

Version 6.1

Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC5000036450	Sedex Site Reference: *(only available on Sedex System)*	ZS1000042706
Business name (Company name):	HUAKANG PACKAGING TECHNOLOGY CO.LTD		
Site name:	HUAKANG PACKAGING TECHNOLOGY CO LTD		
Site address:	TRAPEANGKEA VILLAGE, CHEUNGKO COMMUNE, PREYNOP DISTRICT PREAH SIHANOUK PROVINCE 180104 KH	Country:	KH
Site contact and job title:	Yang Quanbin / General manager		
Site phone:	855973000085	Site e-mail:	huakangpackaging16@gmail.com
SMETA Audit Pillars:	☑ Labour Standards ☑ Health and Safety (plus Environment 2-Pillar)	☑ Environment 4-pillar	☑ Business Ethics
Date of Audit:	2024-07-12		

Audit Company Name:
Benchmarks Company Limited

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

Auditor Team			
Lead Auditor:	Broeksa Som	APSCA Number:	21703642
Additional Auditors:	Savy Sao		21703421
Date of declaration:	2024-07-12		

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

Site Representation	
Full Name:	Yang Quanbin
Title:	General manager
Date of declaration:	2024-07-12
Comments: *Any exceptions to this must be recorded here (e.g. different sample size):* *Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).* *The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives*	

Summary of Findings

Issue *(please click on the issue title to go direct to the appropriate audit results by clause)*	Area of Non–Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP	0.A.1		0	1	0	Obs - ZAF600575431
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected	2.3	§1	1	0	0	NC - ZAF600575417
3 - Working conditions are safe and hygienic	3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1	§10 §11 §2 §3 §4 §5 §6 §7 §8 §9	11	0	0	NC - ZAF600575418 NC - ZAF600575419 NC - ZAF600575420 NC - ZAF600575421 NC - ZAF600575422 NC - ZAF600575423 NC - ZAF600575424 NC - ZAF600575425 NC - ZAF600575426 NC - ZAF600575427 NC - ZAF600575428
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	1	GE - ZAF600575430
6 - Working hours are not excessive			0	0	0	
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2–pillar			0	0	0	
10B4 - Environment 4–pillar	10.B4.1	§12	1	0	0	NC - ZAF600575429
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	Prakas on Shop Stewards in an Enterprise or Establishment, Article 9 The election of shop stewards shall be held within 6 (six) months at the latest after the opening of the enterprise or establishment. In the event of the election of shop stewards for the new mandate, the election shall take place within 15 (fifteen) days prior to the end of the mandate of the shop stewards.
§2	Law on Administration of Factory and Handicraft (2006), Art. 26 state that Factory shall have fire-extinguishing system which includes: 1. Fire alarm system and fire extinguisher facilities. 2. "Fire Caution" sign at necessary places. 3. At least two emergency exits at each floor 4. Rescue ways for firefighting trucks. 5. Other escape means. 6. Compact plan for evacuation in emergency.

§3	Law on Administration of Factory and Handicraft (2006), Art. 26 state that Factory shall have fire-extinguishing system which includes: 1. Fire alarm system and fire extinguisher facilities. 2. "Fire Caution" sign at necessary places. 3. At least two emergency exits at each floor 4. Rescue ways for firefighting trucks. 5. Other escape means. 6. Compact plan for evacuation in emergency.
§4	PROKAS of Ministry of Industry, Mines and Energy No. 701(July 17, 2007)ON ESTABLISHMENT OF SPECIFIC REQUIREMENT OF ELECTRIC POWER TECHNICAL STANDARDS OF THE KINGDOM OF CAMBODIA-CHAPTER 6-Requirements for Generators - Art 55-to prevent the accident happen to the third person , every electrical facility who hold the small and medium license in temporary term , must follow the minimum requirements as following - Take appropriate action to prevent the third person to enter the premises of electrical facility by build the enclosed fence or wall . - The entrance is required to lock . - The no entry sign is required to post at the entrance . - The premise of the electrical facility is kept clean . - The moving part and entire operating part are covered to avoid the incident. - Any belt driver power transmission system are not allowed .
§5	Prakas No. 148 On Procedures and Issuance of Certification of Items and Quantities of Chemical Substance Use Issued by the Ministry of Industry, Mines and Energ Article 13The businessperson who applies for the certification of items and quantities of chemical substance use for distribution shall: - Record the name, occupation, address of the receiver - Record the name of chemical substance, items to be used, and quantities of chemical substance distributed - Have a label on the package with Material Safety Data Sheet (MSDS) in Khmer language.
§6	1.Prakas No. 307 on Conditions of Occupational Hygiene and Safety in Garment and Shoe Factories (2007), Art. 4 Use of Chemicals Chemicals used in the garment and shoe industry include: - Chemicals used all productions in the garment factories For the sake of worker and public safety, the employers shall: - Train their staff properly on how to use chemicals before assigning them to work [with the chemicals]; - Ensure that all chemicals are only used in an isolated area where there is no emission to other places; - Set up an air pump-out system which ensures that the outgoing air does not impact on public environment; - Ensure that people working with chemicals are equipped with sufficient and effective protective equipment; - Ensure that emergency exits are in place; - Health and safety signs and warehouse regulations shall be written in a simple way, posted properly in a prominent place, and always be kept in a good state.

§7	1.Prakas No. 307 on Conditions of Occupational Hygiene and Safety in Garment and Shoe Factories (2007), Art. 4 Use of Chemicals Chemicals used in the garment and shoe industry include: - Chemicals used all productions in the garment factories For the sake of worker and public safety, the employers shall: - Train their staff properly on how to use chemicals before assigning them to work [with the chemicals]; - Ensure that all chemicals are only used in an isolated area where there is no emission to other places; - Set up an air pump-out system which ensures that the outgoing air does not impact on public environment; - Ensure that people working with chemicals are equipped with sufficient and effective protective equipment; - Ensure that emergency exits are in place; - Health and safety signs and warehouse regulations shall be written in a simple way, posted properly in a prominent place, and always be kept in a good state.
§8	PROKAS of Ministry of Industry, Mines and Energy No. 701(July 17, 2007)ON ESTABLISHMENT OF SPECIFIC REQUIREMENT OF ELECTRIC POWER TECHNICAL STANDARDS OF THE KINGDOM OF CAMBODIA-CHAPTER 6- Requirements for Generators- Article 59 The holder of small and medium license and the generator operator or maintenance staff have to be trained the skill or technical and safety course that certify by Ministry of Industry, Mines and Energy. Periodic training shall be provided on every 3 year or less than 3 years .
§9	Prakas No. 215, Art 4 Employers shall provide protective equipment to employees engaged in hazardous activities and make sure that they are used and maintained properly
§10	Joint Prakas No. 09 on “Medical Check-up” dated on 19 January, 1994 by the Ministry of Health and the Ministry of Labor: Article 1: Both sexes of Cambodians and foreigners who work in Cambodia are required to pass the medical check-up.
§11	Prakas No. 052 on Arrangement of Sanitary Toilet (2000), Art. 6 Every restroom shall have enough clean water, soap and shall keep it clean. It should be cleaned at least once a day.
§12	Prakas on Classification of environmental impact assessments for development projects, Article 6 Types of development projects that require the preparation of environmental and social impact assessment reports. Full refers to projects that have a serious impact on the environment and society, as shown in the table Appendix

Site Details

Site Details		
Company Name	HUAKANG PACKAGING TECHNOLOGY CO.LTD	
Site Name	HUAKANG PACKAGING TECHNOLOGY CO LTD	
GPS location (if available)	**GPS Address:**	N/A
	Coordinates:	E103.80267； N10.76028
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	00046813	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Plastic packaging	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	HUAKANG PACKAGING TECHNOLOGY CO.LTD. is located at Cambodian Zhejiang, Guoji SEZ, Tropiang Kea Village, Cherng Ko Commune, Prey nob District, Preah Sihanouk Province, Cambodia. The factory occupied on the land size of 30,000.00 square meters and the building size is 25,000.00 square meters. They started production at this location since September 2019, based on the business license of the factory and the interview. A total of 272 employees worked in the factory. All workers worked for 6 days a week in one shift: 7:00-16:00 and lunch break from 11:00am - 12:00, noon. The overtime is from 16:00-18:00. The normal working hours are 8 hours per weekday. Workers' wages were calculated on monthly basis. The peak season was not identified during the last 12 months as per management interview and worker interview. In view of the facility, it consisted of total three main buildings included buildings A and B are one story buildings used for production processes and warehouse. Building C with 3 stories and its ground floor used as production office and QC inspection rooms. The 1st and 2nd floor are used as office for management.	

<table>
<tr><td rowspan="13">Structure and number of buildings</td><td colspan="2">Building Name:</td><td colspan="2">Building A</td></tr>
<tr><td>Floor</td><td colspan="2">Description</td><td>Remark</td></tr>
<tr><td>Ground floor</td><td colspan="2">The building is a one-story building, it is currently using for all production process, warehouse, QC room and production office.</td><td>Nil</td></tr>
<tr><td colspan="2">Building Name:</td><td colspan="2">Building B</td></tr>
<tr><td>Floor</td><td colspan="2">Description</td><td>Remark</td></tr>
<tr><td>Ground floor</td><td colspan="2">The building is a one-story building. it is currently using for all production processes.</td><td>Nil</td></tr>
<tr><td colspan="2">Building Name:</td><td colspan="2">Building C</td></tr>
<tr><td>Floor</td><td colspan="2">Description</td><td>Remark</td></tr>
<tr><td>Ground floor</td><td colspan="2">it is current used for production office and QC room</td><td>Nil</td></tr>
<tr><td>1st</td><td colspan="2">it is current used for office for management.</td><td>Nil</td></tr>
<tr><td>2nd</td><td colspan="2">It is currently used for office for management.</td><td>Nil</td></tr>
</table>

Visible structural integrity issues (large cracks) observed?	☐ Yes ☑ No Please give details: No concerns regarding physical integrity as per observation during the audit date.
Does the site have a structural engineer evaluation?	☑ Yes ☐ No Please give details: The structural engineer evaluation was conducted by government responsible for construction.
Site function	☐ Agent ☑ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack house ☐ Primary Producer ☐ Service Provider ☐ Sub-contractor
Months of peak season	Select a month to Select a month
Process overview	Fabric & accessories, warehouse, mixing, air blowing, plasing cutting, inspection, testing and finishing/packing.

What form of worker representation is there on site?	☐ Union ☑ Worker Committee ☐ Other ☐ None
Please give details:	Workers' committee/workers' representatives elected and approved by labour department was also available.
Is there any night production work at the site?	☐ Yes ☑ No
Are there any on site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Are there any off site provided worker accommodation buildings	☑ Yes ☐ No Please give details: The facility had contracted outside resident for management team living outside the facility area.
Were all site provided accommodation buildings included in this audit	☐ Yes ☑ No Please give details: The accommodation building for expatriate management staff was far away from the facility premise.

Audit Parameters			
Time in and time out	Day 1		
	In	08:36	
	Out	19:45	
Audit type:	FULL_INITIAL		
Was the audit announced?	SEMI_ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Yang Quanbin / General manager		
Is further information available	No		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	No	No
B: Present at the audit?	Yes	No	No
C: Present at the closing meeting?	Yes	No	No
Reason for absence at the opening meeting	No union formed in the factory. The worker representative not yet re-elected.		
Reason for absence during the audit	No union formed in the factory. The worker representative not yet re-elected.		
Reason for absence at the closing meeting	No union formed in the factory. The worker representative not yet re-elected.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	139	0	0	0	0	0	0	139
Worker numbers – female	117	0	0	0	0	0	0	117
Total	256	0	0	0	0	0	0	256
Number of Workers interviewed – male	16	0	0	0	0	0	0	16
Number of Workers interviewed – female	10	0	0	0	0	0	0	10
Total – interviewed sample size	26	0	0	0	0	0	0	26

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Cambodian approx %: 100%	
Was this list completed during peak season?	☐ Yes ☑ No Please give details: No peak season was noted.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	0%
	Salaried:	100%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	0%
	Other:	100%
	Details for other:	The facility currently pays all employees twice per month as per local requirement. The first payment is paid on 25th with the amount of 100 USD and the second payment is paid on 10th of the next month for total balance including other eligible benefits such as OT allowance, meal allowance, attendance bonus, transport and housing allowance etc.

Worker Interview Summary	
Were workers aware of the audit?	☑ Yes ☐ No
Were workers aware of the code?	☑ Yes ☐ No
Number of group interviews:	4 groups of 5
Number of individual interviews:	Male: 4 Female: 2
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	☑ Yes ☐ No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☑ Yes ☐ No
In general, what was the attitude of the workers towards their workplace?	☑ Favorable ☐ Non-favourable ☐ Indifferent
What was the most common worker complaint?	There was no complaint toward the management and their working condition.
What did the workers like the most about working at this site?	They stated that the facility gives them with the right to work or resign base on their own willing without any forms of coercion.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	All selected employees confirmed that they want to get more works and earn more money from working overtime, however, they are happy to work in this facility even no overtime work was provided yet.
Is there any worker survey information available?	☐ Yes ☑ No Please give details:

Attitude of workers:
Based on the selected employees' interview, it was noted that, all of them felt comfortable and nice to talk with auditors during the interviewing.
Attitude of worker's committee/union reps:
Based on shop steward interview, it was noted that they were comfortable and felt free to talk and share information with the auditors. They stated that facility respected their rights on freedom of association and always well cooperated with them for affair treatments to all employees without discrimination.
Attitude of managers:
Based on the observation, it was noted that the facility's management showed a full cooperation and displayed the positive attitude for the whole audit. All the documents requested for reviewing were provided on time. At the end of the audit, all the audit findings were discussed and accepted by the facility's management. Management stated that they will make the improvement as soon as possible they can.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The company has established the written policies and procedures which mostly covered the legal requirement, including human right such as No Force Labor, work voluntarily and Freedom of Association etc. •The factory appointed HR-Compliance Manager responsible to prepare all written policies and procedures, reviewing and implementing the compliance standards related to Human rights, working condition and Human Resource Management system. • Compliance Assistant was also appointed to responsible in implementation of all tasks concerning the Health and Safety within workplaces and follow-up the corrective action within the facility. •The factory had a procedure show that the factory will address these issues and enable effective remediation if have an adverse impact on human rights within any of their stakeholders.
Evidence examined:
•Company written policies and procedures related to No Force Labor, works voluntarily and Freedom of Association etc. •Remediation & appointment letter •Management and worker interview
Any other comments:
Nil

Policy statement that expresses commitment to respect human rights?	☑ Yes ☐ No Please give details: The facility established the statement covering human rights impacts and issues policy included in the existing written policies and procedures to be communicated with its suppliers.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: The policies were made in written and combined as workers' manuals.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	☑ Yes ☐ No Please give details: The factory appointed HR-Compliance Manager and Compliance assistant and also Health and Safety Officer to responsible for preparing all written policies and procedures, reviewing and implementing the compliance standards and conduct internal audit as well as follow-up the identified issues for improvement.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	☑ Yes ☐ No Please give details: The facility has setup sufficient transparent system in place for employees/workers confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. Employees could directly report to their employees/workers' representatives as well as labour trade union, any time.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☑ Yes ☐ No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☑ Yes ☐ No Please give details: The factory demonstrates effective data privacy procedures for workers' information, which is implemented.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 5.0% This year 5.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	2.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 2.0% This year 1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0.5%

Are accidents recorded?	☑ Yes ☐ No Please give details: From interview and records check, it was noted that the facility did not require the injuries, which is treated locally by in-house nurses/doctor, to be recorded in the injuries log for root cause analysis and/or improvement for the future preventive action, yet. Only serious accident/injuries to be claimed from NSSF department were recorded and submitted to NSSF department.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 4.0% This year 2.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 0.0% 12 month 0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 0.0% 12 month 0.0%

Observation	Evidence
[Back to findings summary]	

Observation			
Status	OPEN		
Reference	ZAF600575431		
Clause	0A - Universal Rights covering UNGP		
Issue Title	37 - The ethical Code (i.e. ETI Base Code for SMETA audits) is not communicated to the site's own suppliers		
Subcategory	Site's Systems to Manage Supplier Compliance		
New or carried over?	☑ New	☐ Carried Over	
Root cause	☐ Training ☐ Costs ☐ Other	☑ System ☐ Lack of workers	
Root cause - Other			
ETI code	0.A.1 - Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.		
Explanation to the observation	The facility management did not communicate the ethical Code (i.e. ETI Base Code for SMETA audits) to its own suppliers and business partners to get aware for implementation, yet.		
Actions	The management should make appropriate action to communicate the ethical Code (i.e. ETI Base Code for SMETA audits) to its own suppliers and business partners to gets aware for implementation within its workplaces.		

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
The factory established the social compliance policies and procedures to be implemented within its facility. The policies and procedures have been approved by the top management and posted on the information boards. The last version of all policies and procedures were reviewed in 01/January/2024. The facility had assigned HR-Compliance Manager was pointed to be responsible for reviewing and implementing the compliance standard and ensure that social standards are fulfilled; he can directly report to top management about concerns and results. The facility has the internal rule that is in compliant with the local laws, seen and agreed / approved by the Ministry of Labour and Vocational Training. The facility posted policies and procedures on the notice boards of each production building for ease of employees to access and be aware of those policies and procedures.
Evidence examined:
The policies and procedures established in written cover all legal and clients' codes to be implemented in the facility ETI Base Code poster posed to the notice board and near to the workplace of workers to free access.
Any other comments:
Nil

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☑ No Please give details: Auditor conduct researching on internet searching for the information related to the factory data on media and government websites and non-government organization websites. No fines/prosecution was noted.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: The written policies and procedures covering legal compliance were established included "No force labour, no child labour, no discrimination and prohibition of harassment & abuse, recruitment, termination, wages & benefits, working hours, health and safety, fire safety, environment and other relevant policies were established and available for review.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The policies were communicated to workers via poster and induction training to the new workers prior to starting to work in the facility.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: The training about facility rules and regulation, terms and conditions of contract, no forced labour, child labour, discrimination and harassment & abuse was provided. The training was provided to managers and supervisors.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☑ Yes ☐ No Please give details: From training record review, the facility's internal rule and regulation, force labour, child labour, discrimination, harassment & abuse were communicated to employees through training and the facility's procedure and policies were posted on the information board where visible for all employees. All selected employees/workers confirmed that they were aware of the procedures and policies.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	☐ Yes ☑ No Please give details: The site did not have any internationally recognized system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000, yet.
Is there a Human Resources manager/department?	☑ Yes ☐ No The factory appointed HR-Compliance Manager and Compliance assistant and also Health and Safety Officer to responsible for preparing all written policies and procedures, reviewing and implementing the compliance standards and conduct internal audit as well as follow-up the identified issues for improvement.
Is there a senior person /manager responsible for implementation of the code?	☑ Yes ☐ No Please give details: The factory appointed HR-Compliance Manager responsible to prepare all written policies and procedures, reviewing and implementing the compliance standards and conduct internal audit as well as follow-up the identified issues for improvement. •Compliance assistant and also Health and Safety Officer was appointed to responsible in implementation of all tasks concerning the Human rights and Human Resource Management system.

Is there a policy to ensure all worker information is confidential?	☑ Yes ☐ No Please give details: The written policy on data privacy has been established and ensure the confidentiality of an individual's personal information.
Is there an effective procedure to ensure confidential information is kept confidential?	☑ Yes ☐ No Please give details: The personal files cabinets could be accessed by HR-Compliance staff only, since they are locked and the keys were hold by HR-Compliance team.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	☑ Yes ☐ No Please give details: Internal risk assessments conducted as annually. The latest risk assessment was conducted on May 02, 2024 to evaluate policy and procedure effectiveness.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The factory had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
Does the facility have a policy/code which require labour standards of its own suppliers?	☐ Yes ☑ No Please give details: The facility management did not communicate the ethical Code (i.e. ETI Base Code for SMETA audits) to its own suppliers and business partners to get aware for implementation, yet.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☑ Yes ☐ No Please give details: The factory provided relevant license and permission for review. The land ownership property documents were available at the facility.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☑ Yes ☐ No Please give details: The site had systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title. The legal documents related to land and properties ownership were obtained and attached in the leasing agreement prior to start leasing acknowledgement.
Does the site have a written policy and procedures specific to land rights?	☑ Yes ☐ No Please give details: The facility had its policy to require to obtain the legal documents related to land right prior to have leasing agreement.

Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	☑ Yes ☐ No Please give details: The properly leasing contract was reviewed during this audit.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☑ Yes ☐ No Please give details: The facility demonstrates that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	☐ Yes ☑ No Please give details: No such negative evidence was identified.

1 - Freely chosen Employment [Summary of Findings]
1: Compliance Requirements 1.1 There is no forced, bonded or involuntary prison labour. 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• From the approved factory internal rules and regulation from ministry of labour, the company policies showed that employees could be freely resignation after communication with management in advance as per local law requirement. • No deposit would be required. • No force, bonded or involuntary prison labour was observed during the date of audit. • The employees obtained their job by themselves or by friend's recommendation. • The factory did not require lodging deposits or their Identity papers to the factory at the beginning of employment. •The interviewees' confirmed consistently with the current practices.
Evidence examined:
•The information obtained from management interview, workers' interviews and documents review included: •Facility internal rules and regulation •Factory Policies and Procedures, •Personnel files (all were checked) •Resignation records
Any other comments:
Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☑ No Please give details: As per interview and documented policies and procedure, the workers could leave their employment by giving legal notice period without restriction.

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	☐ Yes ☐ No ☑ Not Applicable Please give details: The factory is not the UK based registered business.
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☑ No Please give details: Workers could leave their workplaces to toilet and drinking water any time, and could leave when their shift ended without any restriction.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☑ Yes ☐ No ☐ Not Applicable Please give details: The facility understood the risk of forced / trafficked / bonded labour in its supply chain. However, no any workers in the facility faced such issue.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☑ Yes ☐ No Please give details: There was no any restrictions on workers' freedoms to leave the site at the end of the workday as well as the workers could terminate their contract when they wish, by just giving the notice to the company as per legal requirements.

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

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
• The factory had established a Worker Committee Management Procedure. It was identified that employee representatives should be elected by employees freely. • The procedure and meeting records showed that the committee communicated with factory management every month. And relevant records were kept by the factory. • All interviewees confirmed that they could raise their complaints to the workers representatives, respective leader or supervisor and suggestion box. • The Cambodia constitution guarantees Freedom of Association; According to documents review, management interview, there was one worker representative organization established in the factory approved by labour department on May 20, 2021, and expired on May 20, 2023. However, Those workers' preventatives/shop steward, were still working in the factory.
Evidence examined:
•Freedom of Association Policy & procedure •Workers' representative and trade union meeting minutes •Management and workers' interview •Factory tour & observation •Business license
Any other comments:
Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	☐ Union ☐ Other	☑ Worker Committee ☐ None
Other details:	Workers' committee/workers' representatives elected and approved by labour department was/were also available, but their election mandate was expired.	
Is it a legal requirement to have a union?	☐ Yes ☑ No	
Is it a legal requirement to have a worker's committee?	☑ Yes ☐ No	

Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	☑ Yes ☐ No Please give details: The facility had written procedures on effective communication channel, which the labor trade unions and also selected as shop steward approved by Labor Department of Ministry of Labor, but this workers' committee/shop steward was expired.
Is there evidence of free elections?	☑ Yes ☐ No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☑ Yes ☐ No Please give details: There was a room available for the worker's committee to have meeting. The workers' committee /workers' representative who were elected by workers, having regular meeting once per month.
Name of union and union representative, if applicable:	NA - No union available.
Is there evidence of free elections?	☐ Yes ☐ No ☑ Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	The facility had suggestion box setup for workers' confidential communication with management.
Is there evidence of free elections?	☑ Yes ☐ No ☐ Not Applicable
Are all workers aware of who their representatives are?	☑ Yes ☐ No Please give details: There was a room available for the worker's committee to have meeting. The workers' committee /workers' representative who were elected by workers, having regular meeting once per month, but their mandate was expired and not yet have re-election for new mandate.
Were worker representatives freely elected?	☑ Yes ☐ No
Date of last election:	2021-05-20
Do workers know what topics can be raised with their representatives?	☑ Yes ☐ No
Were worker representatives/union representatives interviewed?	☑ Yes ☐ No
If Yes, please state how many:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The current worker's committee is not effective, since their legal mandate was expired.
Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☑ No

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance	
Status	OPEN
Reference	ZAF600575417
Clause	2 - Freedom of Association and Right to Collective Bargaining are Respected
Issue Title	137 - A committee exists but workers do not know about the worker committee / its function and / or who their representatives are
Subcategory	Effectiveness of Representation Body
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Prakas on Shop Stewards in an Enterprise or Establishment, Article 9 The election of shop stewards shall be held within 6 (six) months at the latest after the opening of the enterprise or establishment. In the event of the election of shop stewards for the new mandate, the election shall take place within 15 (fifteen) days prior to the end of the mandate of the shop stewards.
ETI code	2.3 - Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
Explanation to the non compliance	Based on document review and management interview, it was noted that Shop Steward was already expired on 20 May 2024
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should re-elected the shop steward.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1.General Health and Safety management: •HR-Compliance Manager and Compliance assistant and also Health and Safety Officer were appointed to be responsible for general health and safety compliance issues within the workplaces. •Health and safety policy and procedure has been established and available for implementation within the facility. •The facility had installed the air-cooling system around the facility building to make the workplaces form and sufficient ventilation. •Ventilation, temperature and lighting were adequate for the production processes. •The potable water was freely supplied in workplaces for free of charge. •Employees could access to potable drinking water as well as sufficient water for uses at the toilets. •Sufficient toilets segregated by gender were available at all the time to workers. 2. Fire Safety: •There were sufficient exits/doors available at all areas, where more than 2 exits available at each working section, currently. •Evacuation plan with remark and diagrams were posted in all areas and understood by all workers interviewed. •Fire drill records with photos showed that the factory conducted firefighting training and practiced fire drill in the factory under leading from fire brigade police officer and 05/February/2024. •Fire extinguishers' inspection conducted by fire brigade police officer with inspection certificate was conducted 12/July/2024 by firefighting officer. 3. Electrical safety: •All electrical equipment was in good condition such as sockets, plugs, switches, wires system and main electrical switch boards. •There was one competent electrician at the site and the training certificates were available for review. • All electrical control panels/boards were setup with safety warning signs and notices. 4. Chemical safety: •No hazardous chemical substances were used. Only the small amount of engine oil was used for production machines. All of them were correctly labelled. 5. Medical services: •An onsite infirmary was setup and available for workers' health counselling. •There were adequate first aid kits in each production area with were well stocked and available for uses. •All employees, workers have been registered with National Social Security Funds (NSSF) and the funds were paid by the factory as health insurance. In case of any injuries of worked related accidents, the employees, workers could go to hospital and NSSF department will responsible for all medical treatment. •There were random 7 selected first aiders, whom were arranged to have in places and trained by Labour department of health on 04 June 2024 attended from all departments/sections.

Evidence examined:
•Written health and safety policy and procedures •Induction training materials and records •Equipment list and maintenance records. •Fire equipment maintenance records and inspection records •Trained first aider training attendance list •Building structural safety inspection report •Fire safety inspection certificate •Fire safety system certificate •Interviews with HR and Compliance Officer •Interviews with selected workers and workers' representatives.
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☑ Yes ☐ No Please give details: The facility established the written policies and procedures on health and safety to be implemented in the facility.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: Health & Safety policies were covered in employees' manual and facility internal rules and regulation.
Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☑ No Please give details: No such evidence showing extension without required permits/inspections.
Are visitors to the site informed on H&S and provided with personal protective equipment?	☑ Yes ☐ No Please give details: All visitors were requested to fill in the security log, get through temperature check and disinfection by spraying the alcohol sprays and informed to wear personal protective equipment on site tour such as facemask, prior to enter the facility premise.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	☑ Yes ☐ No Please give details: Onsite infirmary has been setup onsite.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☑ Yes ☐ No Please give details: Onsite infirmary has been setup with internal health care staff, included one. nurse and doctor available. 7 first aiders were trained.

Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☑ No Please give details: The factory provided transport allowances / living allowance instead of transportation.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☑ No Please give details: The facility did not provide dormitory for employees to live onsite.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	☑ Yes ☐ No Please give details: From document review and management interview, the factory conducted the risk assessment covered health and safety was conducted by CSR specialist. The latest risk assessment was conducted on 09/June/2024 to evaluate policy and procedure effectiveness as well as other CSR compliance tasks.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☑ Yes ☐ No Please give details: The facility has maintained the approved Environmental Compliance documents, including approved environmental commitment agreement signed between the facility and the Ministry of Environment.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☑ Yes ☐ No Please give details: From facility tour and document review, it was noted that the facility did not use any banned or restricted hazardous chemical in the facility.

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ZAF600575418
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	187 - Fire extinguishers not inspected / checked regularly / out of date
Subcategory	Fire Safety - Fire Fighting Equipment
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Law on Administration of Factory and Handicraft (2006), Art. 26 state that Factory shall have fire-extinguishing system which includes: 1. Fire alarm system and fire extinguisher facilities. 2. "Fire Caution" sign at necessary places. 3. At least two emergency exits at each floor 4. Rescue ways for firefighting trucks. 5. Other escape means. 6. Compact plan for evacuation in emergency.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	It was noted the fire extinguishers and fire alarm were not regular check or maintenance.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that that the factory should check the firefighting equipment regularly.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance			
Status	OPEN		
Reference	ZAF600575419		
Clause	3 - Working Conditions are Safe and Hygienic		
Issue Title	197 - Inadequate signage / instructions of fire alarm		
Subcategory	Fire Safety - Fire alarms & Evacuation		
New or carried over?	☑ New	☐ Carried Over	
Root cause	☐ Training ☐ Costs ☐ Other	☑ System ☐ Lack of workers	
Root cause - Other			
Local law issue	Law on Administration of Factory and Handicraft (2006), Art. 26 state that Factory shall have fire-extinguishing system which includes: 1. Fire alarm system and fire extinguisher facilities. 2. "Fire Caution" sign at necessary places. 3. At least two emergency exits at each floor 4. Rescue ways for firefighting trucks. 5. Other escape means. 6. Compact plan for evacuation in emergency.		
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.		
Explanation to the non compliance	It was noted the that the three fire alarms calling point at production area were missing using instruction. The factory reported during closing meet that they that had corrected this issue.		
Follow up method	☐ Follow up audit	☑ Desktop audit	
Timescale	☐ Immediate ☐ 90 days ☐ 365 days	☑ 30 days ☐ 120 days ☐ Other	☐ 60 days ☐ 180 days
Actions	It is recommended that the factory should posted the fire alarm instruction.		

Alarm missing instruction .JPG

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600575420
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	228 - Unsafe handling of electrical equipment e.g. no rubber mats in front of electricity panels
Subcategory	Electrical risk
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	PROKAS of Ministry of Industry, Mines and Energy No. 701(July 17, 2007)ON ESTABLISHMENT OF SPECIFIC REQUIREMENT OF ELECTRIC POWER TECHNICAL STANDARDS OF THE KINGDOM OF CAMBODIA-CHAPTER 6-Requirements for Generators - Art 55-to prevent the accident happen to the third person , every electrical facility who hold the small and medium license in temporary term , must follow the minimum requirements as following - Take appropriate action to prevent the third person to enter the premises of electrical facility by build the enclosed fence or wall . - The entrance is required to lock . - The no entry sign is required to post at the entrance . - The premise of the electrical facility is kept clean . - The moving part and entire operating part are covered to avoid the incident. - Any belt driver power transmission system are not allowed .
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	It was noted that one electrical panel box at the building A were not installed with inner insulator.
Follow up method	☐ Follow up audit ☑ Desktop audit

Evidence:

No inner isolator .JPG

Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should installed inner insulator to all electrical panel.

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance			
Status	OPEN		
Reference	ZAF600575421		
Clause	3 - Working Conditions are Safe and Hygienic		
Issue Title	230 - No material safety data sheet (MSDS) obtained / available		
Subcategory	Chemicals		
New or carried over?	☑ New	☐ Carried Over	
Root cause	☐ Training ☐ Costs ☐ Other	☐ System ☐ Lack of workers	
Root cause - Other			
Local law issue	Prakas No. 148 On Procedures and Issuance of Certification of Items and Quantities of Chemical Substance Use Issued by the Ministry of Industry, Mines and Energ Article 13The businessperson who applies for the certification of items and quantities of chemical substance use for distribution shall: - Record the name, occupation, address of the receiver - Record the name of chemical substance, items to be used, and quantities of chemical substance distributed - Have a label on the package with Material Safety Data Sheet (MSDS) in Khmer language.		
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.		
Explanation to the non compliance	It was noted no MSDS provided to chemical used in the factory.		
Follow up method	☐ Follow up audit	☑ Desktop audit	
Timescale	☐ Immediate ☐ 90 days ☐ 365 days	☐ 30 days ☐ 120 days ☐ Other	☑ 60 days ☐ 180 days

Evidence:

Chemical issue no label and MSDS and secondary containment .JPG

Actions	It is recommended that the factory should provide MSDS to all chemical.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600575422
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect
Subcategory	Chemicals
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	1.Prakas No. 307 on Conditions of Occupational Hygiene and Safety in Garment and Shoe Factories (2007), Art. 4 Use of Chemicals Chemicals used in the garment and shoe industry include: - Chemicals used all productions in the garment factories For the sake of worker and public safety, the employers shall: - Train their staff properly on how to use chemicals before assigning them to work [with the chemicals]; - Ensure that all chemicals are only used in an isolated area where there is no emission to other places; - Set up an air pump-out system which ensures that the outgoing air does not impact on public environment; - Ensure that people working with chemicals are equipped with sufficient and effective protective equipment; - Ensure that emergency exits are in place; - Health and safety signs and warehouse regulations shall be written in a simple way, posted properly in a prominent place, and always be kept in a good state.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	It was noted the chemical containers in warehouse and production were not posted label name.

Chemical issue no label and MSDS and secondary containment .JPG

Follow up method	☐ Follow up audit	☑ Desktop audit	
Timescale	☐ Immediate	☑ 30 days	☐ 60 days
	☐ 90 days	☐ 120 days	☐ 180 days
	☐ 365 days	☐ Other	
Actions	It is recommended that the factory should posted the label to all chemical container using in the factory.		

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance	
Status	OPEN
Reference	ZAF600575423
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)
Subcategory	Chemicals
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	1.Prakas No. 307 on Conditions of Occupational Hygiene and Safety in Garment and Shoe Factories (2007), Art. 4 Use of Chemicals Chemicals used in the garment and shoe industry include: - Chemicals used all productions in the garment factories For the sake of worker and public safety, the employers shall: - Train their staff properly on how to use chemicals before assigning them to work [with the chemicals]; - Ensure that all chemicals are only used in an isolated area where there is no emission to other places; - Set up an air pump-out system which ensures that the outgoing air does not impact on public environment; - Ensure that people working with chemicals are equipped with sufficient and effective protective equipment; - Ensure that emergency exits are in place; - Health and safety signs and warehouse regulations shall be written in a simple way, posted properly in a prominent place, and always be kept in a good state.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non	It was noted that the chemical was not properly stored. It was stored in the production area without

Chemical issue no label and MSDS and secondary containment .JPG

compliance	secondary containment.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should stored chemical at the designated area with secondary containment.

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance	
Status	OPEN
Reference	ZAF600575424
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	267 - No / inadequate certificates for inspections of machinery, or machines not registered as required by law
Subcategory	Machinery
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	PROKAS of Ministry of Industry, Mines and Energy No. 701(July 17, 2007)ON ESTABLISHMENT OF SPECIFIC REQUIREMENT OF ELECTRIC POWER TECHNICAL STANDARDS OF THE KINGDOM OF CAMBODIA-CHAPTER 6- Requirements for Generators- Article 59 The holder of small and medium license and the generator operator or maintenance staff have to be trained the skill or technical and safety course that certify by Ministry of Industry, Mines and Energy. Periodic training shall be provided on every 3 year or less than 3 years .
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	Compressor / Forklift / Lift operators' certificate was already expired in May 25, 2024.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that that the factory should obtain the valid certificate of heavy machine operator.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600575425
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate
Subcategory	Personal Protective Equipment/Clothing
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Prakas No. 215, Art 4 Employers shall provide protective equipment to employees engaged in hazardous activities and make sure that they are used and maintained properly
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	It was noted the employees did not used the provided PPE. Earplug for load noise section, safety gloves employees working chemical and safety shoes pallet truck operator and safety helmet for forklift operators.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should provide PPE based on their job condition and make sure that the employees used properly.

Evidence

No safety helmet and safety shoes .JPG

No safety gloves .JPG

No earplug .JPG

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance			
Status	OPEN		
Reference	ZAF600575426		
Clause	3 - Working Conditions are Safe and Hygienic		
Issue Title	242 - No / inadequate eye wash / shower station in hazardous environments including chemical areas		
Subcategory	Chemicals		
New or carried over?	☑ New	☐ Carried Over	
Root cause	☐ Training ☐ Costs ☐ Other	☑ System ☐ Lack of workers	
Root cause - Other			
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.		
Explanation to the non compliance	Based factory tour, it was noted that that no eyes wash station provided for emergency uses.		
Follow up method	☐ Follow up audit	☑ Desktop audit	
Timescale	☐ Immediate ☐ 90 days ☐ 365 days	☑ 30 days ☐ 120 days ☐ Other	☐ 60 days ☐ 180 days
Actions	It is recommended that the factory should provided eye wash station.		

Non-Compliance	Evidence
[Back to findings summary]	

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600575427
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	317 - No medical examinations / regular occupational health checks including disease checks of workers in hazardous situations (e.g. noise / chemicals / dust)
Subcategory	Worker Health
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Joint Prakas No. 09 on "Medical Check-up" dated on 19 January, 1994 by the Ministry of Health and the Ministry of Labor: Article 1: Both sexes of Cambodians and foreigners who work in Cambodia are required to pass the medical check-up.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	All of 26 sampled employees did not have medical checkup prior to employment date.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory obtain the medical checkup to all employees.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600575428
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	329 - Sanitary facilities (e.g. toilets, hand basins) are unhygienic / not clean
Subcategory	Hygiene Facilities & Housekeeping
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Prakas No. 052 on Arrangement of Sanitary Toilet (2000), Art. 6 Every restroom shall have enough clean water, soap and shall keep it clean. It should be cleaned at least once a day.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	No hand washing soap was provided at hand washing area.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should provide hand washing soap.

No hand washing soap .JPG

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
•The facility had its internal rules and regulation approved by labour department covered the term on prohibition of child labour for work. •The factory had established comprehensive written policy and procedures on prohibiting child labour to be the guidance for uses in the facility. •The policy on hiring processes has been established and implemented in recruitment. •The procedure to check age of workers at application included checking ID's and other legal ages were available. •Checks of all workers files showed that the factory kept valid and sufficient age information such as copies of National ID Card, Birth certificate, family books, education certificate or other documents with employment history. And personal files showed that no child labour and young worker was identified in the factory. •After verification of original age proof documents, those original documents were returned to the workers and only copies were kept on files for reference.
Evidence examined:
• The facility internal rules and regulation • Recruitment policies • Employees' personal files/ Employment registration/roster • Management and worker interview • Factory tour and observation
Any other comments:
Nil

Legal age of employment:	15
Age of youngest worker found:	18
Are there children present on the work floor but not working at the time of audit?	☐ Yes ☑ No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	☐ Yes ☑ No Please give details: Not applicable - no workers under 18 years of age.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
•The factory had established the policy and procedures covered wages and benefits effectively implemented in the facility and it was complying with legal requirements. •The factory had provided the requested payroll records from July 2023 to June 2024 for review as request timely. 3 sample months were selected included June 2024 (current paid month), April 2024 (random month) and December 2023 (random month) were selected for review and analysis the wages and benefits. •From the facility payment records and written policies and procedure on wages and benefits, as the following: •The minimum basic wage for two months probationary period was set as USD198 per month and USD200 for regular workers after probationary period for the year 2023 and USD202 for two months probationary period and USD204 per month after probationary period for the year 2024. •The wages and benefits documents were well organised with a good, controlled set of processes, which were understood by all employees. •All social insurance payments were submitted on to the relevant authorities in a timely manner. •From payrolls records review, the overtime wages of workers were guaranteed. •The wages were paid twice a month by cash and paid directly to workers during the working hours. The first payment in each month is regular paid for USD100 each and paid on the 25th of the months, while the second time is paid on the 10th of next month for their balances including all benefits. Workers did not work overtime on statutory holidays. • From factory rules review, if the factory rules were broken, relevant workers would be warned and trained. • Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers. • From the actual payroll records of the sample months and interview of sample selected workers, the facility ensures the workers' payment are at least received the legal minimum wages and legal allowances. • From workers and management interview, the factory provided detailed pay slips to all workers when they received wages.
Evidence examined:
• Factory internal rule and regulation • Wages & benefits policy and procedures •The payment calculation method •All sampled employee personal files •Employees/workers' employment contract •Daily wage calculation method •Payroll records of sampled employees •Management and employee interviews
Any other comments:
Nil

Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 2.0 Per Week: 12.0 Per Month: 52.0	Actual Per Day: 2.0 Per Week: 12.0 Per Month: 46.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 7.85 Per Week: 47.08 Per Month: 204	Actual Per Day: 7.85 Per Week: 47.08 Per Month: 204	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 2.94 Per Week: null Per Month: null	Actual Per Day: 2.94 Per Week: null Per Month: null	NO

Wages Analysis:	
Were accurate records shown at the first request?	☑ Yes ☐ No
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 out of 26 samples from current paid month of June 2024 26 out of 26 samples from random month of April 2024 26 out of 26 samples from random month of December 2023
Are there different legal minimum wage grades? If Yes, please specify all.	☐ Yes ☑ No
If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☑ Not Applicable Please give details:
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	☐ Below legal min ☑ Meet ☑ Above
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Year 2023: USD 200 per month as minimum wages for regular employees, Year 2024: USD 204 per month as minimum wages for regular employees,
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 90.0% of workforce earning minimum wage 10.0% of workforce earning above minimum wage

Bonus Scheme found: Please specify details:	Bonus Scheme found:1-The factory paid, USD10 per month for attendance bonus to all employees/workers. 2- The facility provided all workers with living allowances of USD6 per month, which is not required by local law. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.
What deductions are required by law e.g. social insurance? Please state all types:	1. Individual income tax deduction is required by local law 2. Individual retirement fee deduction is required by local law.
Have these deductions been made?	☑ Yes ☐ No
Please list all deductions that have been made.	1. Individual income tax deduction is required by local law 2. Individual retirement fee deduction is required by local law.
Please list all deductions that have not been made.	Social insurance (NSSF) fee was 100% covered by the factory
Were appropriate records available to verify hours of work and wages?	☑ Yes ☐ No
Were any inconsistencies found? (if yes describe nature)	☐ Yes ☑ No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	☑ Yes ☐ No Please give details: All working hours in time records were paid correctly and no inconsistencies found.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	☐ Yes ☑ No Please give details:
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation ☐ Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☑ Yes ☐ No Please give details: The factory periodically reviewed the employee wages to meet legal requirements once per year.
Are workers paid in a timely manner in line with local law?	☑ Yes ☐ No
Is there evidence that equal rates are being paid for equal work:	☑ Yes ☐ No Please give details: Through factory rules review, payroll records review and employee's interviews, it was confirmed that equal rates were being paid for equal work.
How are workers paid:	☑ Cash ☐ Cheque ☐ Bank Transfer ☐ Other

Good Example	Evidence
[Back to findings summary]	

Good Example	
Status	OPEN
Reference	ZAF600575430
Clause	5 - Living Wages are Paid
Issue Title	429 - Company provides a range of additional benefits, including: free medical care on-site, holiday and other bonuses, free library, food subsidy, free transport
Subcategory	Benefits & Insurance
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	The facility provided all workers with living allowances of USD6 per month, which is not required by local law.
Evidence	Interview and payroll records review.

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

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
• From interview and records review, the factory had implemented the below system: • The factory had provided the requested attendance records from July 2023 to June 2024 for review as request timely. 3 sample months were selected included June 2024 (current paid month), April 2024 (random month) and December 2023 (random month) were selected for review and analysis the wages and benefits. • The additional attendance records from 1st of July 2024 to the audit day were also requested and provided for review during the audit, for review as request timely. • The normal working hour system of 8 hours a day, 48 hours a week was carried out in the factory. • The employees are required to do finger print 4 times per day every time – in / time-out of works. • The records of time in/time out as well as the finger print system supporting with employees' interview, it was found accuracy, no any discrepancies was noted during the audit. • The attendance records showed that workers worked maximum 2 hours overtime per day on workdays and maximum of 12 hours overtime per week with total maximum working hours of 60 hours per week. • The monthly total overtime hours were found maximum of 46 hours per month in June 2024 (current month). • From observation on site, the factory used finger print to record employees' working hours. • Through interview of sample selected workers, and workers' representatives interview, the overtime work is based on voluntary basis.
Evidence examined:
• Factory written policy on working hours • Time attendance records • Computerized time logging system • Sample pay slips with recorded hours all workers interviewed • Workers' employment contracts • Quality records and production records to cross-check working hours • Employee interview • Management interview
Any other comments:
Nil

Working hours' analysis
Systems & Processes

What timekeeping systems are used?	Fingerprint devices were setup at the entrance / exits to the buildings and required employees to do finger print to record their attendance at every time-in/out.
Is sample size same as in wages section?	☑ Yes ☐ No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	☑ Yes ☐ No
Are there any other types of contracts/employment agreements used?	☐ Yes ☑ No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	☐ Yes ☑ No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	☑ 1 in 7 days ☐ 2 in 14 days ☐ No (please explain)
Is this allowed by local law?	☑ Yes ☐ No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	☐ Yes ☑ No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	☐ Yes ☑ No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	8 out of 26 samples from current paid month of June 2024: Daily OT: 2 hours Weekly OT: 12 hours Monthly OT: 46 hours 9 out of 26 samples from random month of April 2024: Daily OT: Max. 2 hours Weekly OT: Max. 12 hours Monthly OT: 46 hours 6 out of 26 samples from random month of December 2023: Daily OT: Max. 2 hours Weekly OT: Max. 12 hours Monthly OT: Max. 46 hours

Combined hours (standard or contracted + overtime hours = total) over 60 found?	☐ Yes ☑ No Please give details: Maximum weekly working hours including overtime were 60 hours.
Approximate percentage of total workers on highest overtime hours:	30.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	☑ Yes ☐ No ☐ Conflicting Information Please give details: From the employment agreement, handbook, worker interview, it was found that the overtime in the factory was based on voluntary basis.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	☑ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium Please give details: - 150% of normal wage for overtime on Workdays. - 200% of normal wage for overtime on Rest days. - Add up 100% (200%) of normal wage for overtime on Holidays.
Is overtime paid at a premium?	☑ Yes ☐ No - 150% of normal wage for overtime on Workdays. - 200% of normal wage for overtime on Rest days. - Add up 200% (300%) of normal wage for overtime on Holidays.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	☐ No ☐ Consolidated pay ☐ Collective Bargaining agreements ☑ Other
Please give details	Not applicable, the factory paid premium rate with minimum 150% of normal rate.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	☐ Overtime is voluntary ☐ Onsite Collective bargaining allows 60+ hours/week is voluntary ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☑ Other reasons (please specify)
Please give details	No workers worked more than 60 hours per week.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Not applicable
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☑ No

If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	☐ Yes ☑ No

7 - No Discrimination is Practiced [Summary of Findings]
7: Compliance Requirements 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• From the facility internal rule and regulation, there were statements of no discrimination in the employment practice. • From management and employee interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement. • There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found. • The management knew the requirement of non-discrimination. • From factory tour, there were pregnant ladies were working as normal in suitable area without discrimination. • All interviewees included selected production employees and shop steward said, the factory respects their right to join any association or union without discrimination.
Evidence examined:
• The hiring and termination procedure. • Leave application and termination records. • Attendance and payroll records. • Training records. • Management and worker interview
Any other comments:
Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 54.0%	Female: 46.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	117		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	☐ Hiring ☐ Promotion	☐ Compensation ☐ Termination or retirement	☐ Access to training ☑ No evidence of discrimination found
Please give details	No evidence of discrimination was noted during the audit. All selected workers including workers' representatives confirmed, they known the company policy again discrimination practices in the facility.		
Professional Development			

What type of training and development are available for workers?	From interview of management, workers and document review, it was found that the factory had its training program provided to relevant workers. The trainings were separated in two types: The trainings were separated in two types: 1. Orientation program – all new employees are providing with the pre-job training, induction training toward the company written policies, procedures internal rules and regulation, which included labour requirements and health and safety. 2. The existing employees training – all employees are regular required to attend the training on health & safety training, company rule and regulation and other compliance policies and procedures.
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	☑ Yes ☐ No

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The facility ensures all work performed on the basis of recognized employment relationship established through national law and practice. • The employees are hired with written employment contract which containing the employment terms in accordance with national law requirements. • The factory had documented disciplinary rules and communicates to all workers. • The disciplinary rules were fair, reasonable and they met law requirements. • The factory signs labour contracts with workers immediately after employment. • According to worker interview, they had the copies of labour contracts. • No homework was arranged and no apprenticeship schemes were practiced in this factory.
Evidence examined:
• Hiring and termination procedures • Disciplinary practices and procedures • Labour contract • Personal files
Any other comments:
Nil

Responsible Recruitment		
All Workers		
Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	☑ Terms & Conditions presented ☑ Same as actual conditions	☑ Understood by workers

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	☐ Yes ☑ No
Migrant Workers	
Type of work undertaken by migrant workers:	Only 5 expatriate staff working in management level.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	☐ Yes ☑ No Please give details: Only 5 migrant/expatriate management staff from China.
Is there any observation on this finding?	No
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	☑ Yes ☐ No Only 5 migrant/expatriate management staff from China
Non-employee workers	
Recruitment Fees	
Are there any fees?	☐ Yes ☑ No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	Not applicable
Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☑ No
Were sufficient documents for agency workers available for review?	☐ Yes ☑ No
Is there a legal contract agreement with all agencies?	☐ Yes ☑ No Please give details: Not applicable
Does the site have a system for checking labour standards of agencies?	☐ Yes ☑ No Please give details: Not applicable
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	

Any contractors on site?	☑ Yes ☐ No Please give details: Security guards as contractors contracted from security services provider.
If Yes, how many workers supplied by contractors?	4
Do all contractor workers understand their terms of employment?	☑ Yes ☐ No Please give details: From interview with guards and provided documents for review, the guards were paid based on local law requirement. All guards were hired with understandable employment term and signed agreement voluntarily.
If Yes, please give evidence for contractor workers being paid per law	Security personal files and employment contract.

8A - Sub–Contracting and Homeworking [Summary of Findings]
8A: Compliance Requirements 8.A.1 There should be no sub–contracting unless previously agreed with the main client. 8.A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The factory did not use any subcontractor since the factory had its own processes onsite completely. However, the factory had setup the subcontractor control policy for implementing in the factory, when there is necessarily needed. • It was verified through document review, factory tour, management and workers interview, it was noted that no home-working and sub-contracting was used by this factory.
Evidence examined:
• Factory policies and procedures • Factory tour (Calculation on total production and estimated capacity) • Materials in/out records • Management, security guards and workers' interview
Any other comments:
Nil

Summary of sub–contracting – if applicable	
Is there any sub-contracting at this site?	☐ Yes ☑ No
Summary of homeworking – if applicable	
Is homeworking used at this site?	☐ Yes ☑ No

9 - No Harsh or Inhumane Treatment is Allowed [Summary of Findings]
9: Compliance Requirements 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. 9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The factory has established disciplinary procedure for workers' misbehaviour, which included verbal warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure. • The factory has established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence happened in the past. • Any received complaint will be handled by HR Officer and management team, without any reprisal for the worker in question.
Evidence examined:
• The relevant policy on prevention of harassment and abuse. • Internal grievance procedure documentation. • Training and meeting minute records. • Management and worker interview • Factory tour observation
Any other comments:
Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	☑ Yes ☐ No Please give details: Records of opening suggestion box by joined committees, email and telephone number were available for employees' complaints.
If yes, are workers aware of these channels and have access? Please give details.	Yes, from employees' interview and factory tour, those channels were available for employees and workers aware about this channel.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism,comment box etc. Please give details.	1st step, the workers could proceed directly to their representatives or management team. 2nd step, they can use one of following: - Suggestion box, - Telephone line - Email
Which of the following groups is there a grievance mechanism in place for?	☑ Worker ☐ Communities ☐ Suppliers ☐ Other
Please provide grievance mechanism details	A confidential suggestion box / grievance system, monitored by relevant trained HR officer and workers' committee included workers' representatives.

Are there any open disputes?	☐ Yes ☑ No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	☑ Yes ☐ No Please give details:
Is there a published and transparent disciplinary procedure?	☑ Yes ☐ No Please give details:
If yes, are workers aware of these the disciplinary procedure?	☑ Yes ☐ No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☑ No Please give details:

10A - Entitlement to Work and Immigration [Summary of Findings]
10A: Compliance Requirements 10.A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• All workers in the factory were Cambodian and total 5 Chinese working in management level and production technical. • All those employees had the proper legal rights to work in this region. • All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. • No agency staff or foreign worker was used by the factory. • The factory recruited the new workers by the advertisements or the employees' recommendation. • All workers would be reviewed and validated the original documentation before they employed.
Evidence examined:
• Hiring procedure • Personnel files with employment contract • Employees/Worker handbook • Interview of management, workers and labour trade union
Any other comments:
Nil

10B4 - Environment 4–Pillar [Summary of Findings]
10B4: Compliance Requirements 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details). 10.B4.7 Businesses shall make continuous improvements in their environmental performance. 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10.B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance. 10B4: Guidance for Observations 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations. Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The factory established environment policy, relevant procedures and carried out environment management system within its operation processes. • The approved permits for solid waste disposal, hazardous wastes disposal was obtained by the factory. • Environment emergency action procedures, such as action procedure for chemicals spill was available. • The waste collection agreement was made with the legal waste collector and all wastes were collected and segregated in place. The factory transferred all wastes to only the licensed vendor with relevant qualification.
Evidence examined:
•Environmental policies and procedures •Emergency action procedures. •Waste Disposal Permit •Wastes inventory records •Management and worker interview •Factory tour and observation
Any other comments:
Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):	The factory appointed HR-Compliance Manager responsible to prepare all written policies and procedures, reviewing and implementing the compliance standards related to Human rights, working condition and Human Resource Management system and monitor the environmental compliance, as well. • Compliance Assistant was also appointed to be responsible in follow-up the implementation of all tasks concerning the Health and Safety and environment compliance within workplaces and follow-up the corrective action within the facility.
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The facility conducted risk assessment internally. The last risk assessment was conducted on 09 June 2024.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	☐ Yes ☑ No Please give details: The factory did not obtain any recognized environmental system certification such as ISO 14000 or equivalent this, yet.
Does the site have an Environmental policy?	☑ Yes ☐ No
If yes, is it publicly available?	☑ Yes ☐ No
If yes, does it address the key impacts from their operations and their commitment to improvement?	☑ Yes ☐ No Please give details: The facility had written policy and procedure related to environmental protection, which were available for implementation in the facility. The policies has addressed the key impacts from their operation and their commitment to improvement.
Does the site have a Biodiversity policy?	☐ Yes ☑ No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	☐ Yes ☑ No Please give details: The facility did not have any environmental certificates. However, the factory had specific documents for wastes disposal approved from Ministry of Environment.
Have all legally required permits been shown?	☑ Yes ☐ No Please give details: The factory obtained the legal permit related to environmental program such as bellow: 1-The solid wastes disposal permit. 2-The permission to use Sarom trading as wastes collector and build wastes disposal dumps. 3-The wastewater disposal permit.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☑ Yes ☐ No ☐ Not Applicable Please give details: The factory established the processes to record the hazardous chemicals used in the manufacturing process with in/out inventory list and available for review.

Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☑ Yes ☐ No Please give details: The factory had its policy that require to follow the clients' requirements.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	☐ Yes ☑ No Please give details: No specific policies and program for reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions, yet.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☐ Yes ☑ No Please give details: No evidence of waste recycling and is monitoring volume of waste that is recycled.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	☑ Yes ☐ No Please give details: The facility had measuring and monitoring of consumption of utilities of water and energy to reduce the cost, as per recorded list.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	☐ Yes ☑ No Please give details: The facility did not have specific policy to monitor the environmental performance of the sub-contractors that affect the environmental standard and need the permits. However, from interview and record check, the facility did not use sub-contractor currently.

Usage/discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	8865000	4432500
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	• Underground water extraction for household uses • Drinking water supplied by the potable drinking water suppliers	• Underground water extraction for household uses • Drinking water supplied by the potable drinking water suppliers
Water Volume Used	14828	7543
Water Discharged	•The water discharge from the household / toilets to the storage area in the underground tanks	•The water discharge from the household / toilets to the storage area in the underground tanks

Water Volume Discharged	14086	7165
Water Volume Recycled	0	0
Total waste produced	4813Kg	2406Kg
Total hazardous waste produced	150Kg	80Kg
Waste to recycling	4500Kg	2500Kg
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	24080 Ton	12000Ton

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600575429
Clause	10B4 - Environment 4–Pillar
Issue Title	598 - The site does not have all legally required permits for use and / or disposal of resources e.g. energy, water, air emissions, waste etc.
Subcategory	General Environmental Permits, & Management systems
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Prakas on Classification of environmental impact assessments for development projects, Article 6 Types of development projects that require the preparation of environmental and social impact assessment reports. Full refers to projects that have a serious impact on the environment and society, as shown in the table Appendix
ETI code	10.B4.1 - Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
Explanation to the non compliance	It was noted the factory did not obtain the environmental protective agreement from ministry of environment. It was noted that the factory did not obtain the indoor quality testing, noise and light testing and permit from ministry of environment.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the factory should obtain the environmental protective agreement indoor quality testing, noise and light testing and permit from ministry of environment.

10C - Business Ethics – 4-Pillar Audit [Summary of Findings]
10C: Compliance Requirements 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice. 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices. 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements. 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter. 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice, 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area. 10C: Guidance for Observations 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The facility has its policy related to operating business ethically without bribery, corruption, or any type of fraudulent Business Practice. The written policy clearly stated for implementation in accordance with the local law and international code. • The facility implemented the business ethics program by provided training to all relevant staff and supervisory levels including line leaders, supervisors and management team. • The factory has appointed senior personnel to responsible for implementation of the business ethic policy, whom HR-Compliance Manager and Compliance Assistant to responsible to handle monitoring and improvement of business ethics and social compliance issues.
Evidence examined:
•Written business ethic policy and procedure •Training records •Signed statement •Management and worker interview •Factory tour
Any other comments:
Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	☑ Internal Policy ☐ Policy for third parties including suppliers Please give details: The factory had its policy communicated internally to relevant staff including line leaders, supervisors and management team.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☑ Yes ☐ No Please give details: The factory provide training to relevant personnel on business ethic.
Is the policy updated on a regular (as needed) basis?	☑ Yes ☐ No Please give details: The last training was conducted on June 4, 2024.
Does the site require third parties including suppliers to complete their own business ethics training	☐ Yes ☑ No Please give details: No specific requirement to enquire suppliers to complete their own business ethics training

Attachments

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