

Monitored Party AD HOME & GARDEN FURNITURE JSC	amfori ID 704-001828-000	Address plot of land number 7, map number 17, Phuoc Le Hamlet, Thanh Trieu commune, Chau Thanh District,, 86000 Ben Tre, B�n Tre, Vietnam
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner QIMA Limited
Monitoring Start Date 10/10/2024	Closing Meeting Finished Date 19/10/2024	Submission Date 19/10/2024
Expiration Date 19/10/2025	Announcement Type Semi Announced	
Site AD HOME & GARDEN FURNITURE JSC	Site amfori ID 704-001828-001	

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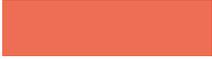
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OVERALL RATING



SECTION RATING

PA1: Social Management System	D	
PA 2: Workers Involvement and Protection	C	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	A	
PA 5: Fair Remuneration	A	

PA 6: Decent Working Hours	A	
PA 7: Occupational Health and Safety	D	
PA 8: No Child Labour	A	
PA 9: Special Protection for Young Workers	A	
PA 10: No Precarious Employment	A	
PA 11: No Bonded, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Hai Dang; APSCA membership number: CSCA 21704723

Name of team auditor (if applicable): Nil; APSCA membership number: Nil

Name of observers, translators, trainees, advisors/consultants (if applicable): Nil

Monitoring partner name: QIMA Limited

Audit schedule details: Total Md is 1.5MD. The audit is planned for 1 auditor x 1 day. 1 day on site, and 0.5 days for reporting. Team auditor Hai Dang attended to the on-site audit day.

Announcement Type: Semi-announced

◇ Auditor conducted audit at the same country.

◇ The audit is initial audit and cover all PA.

Business partner information:

Auditee located at plot of land number 7, map number 17, Phuoc Le Hamlet, Thanh Trieu commune, Chau Thanh District, Ben Tre province, Vietnam. The factory was registered to operate on 20 May 2020, the production processes were frame marking, knitting, finishing, packing, shipping.

Audited location information:

◇ There were 4 main buildings as below:

◇ Building 1 (1 storey building): office, showroom

◇ Building 2 (1 storey building): main workshop included knitting, finishing, packing.

◇ Building 3 (1 storey building): warehouse

◇ Building 4 (1 storey building): frame marking

◇ There was no share building. The factory owned its buildings

◇ There was no dormitory and canteen provided on-site.

Operating shifts and hours:

The time record from last 12 months from Oct 2023 to Sep 2024 were provided for review. The factory operated 6 days per week from Monday to Saturday. The weekly working hours were 8 hours per day, 48 hours per week. The working time stated from 7:10 to 16:40 and had lunch break from 11:30 to 13:00 (1.5 hours). Rest day was Sunday. There was no vulnerable workers in the factory. The maximum overtime per day was 0, per week was 0 and per month was 0 due to no overtime observed in sampling.

Time recording system: The factory used finger printing machine to record working hours.

Salary payment details: The payroll record from last 12 months from Oct 2023 to Sep 2024 were provided for review. The factory paid salary to all workers every month on 4th of following month by cash. The minimum wage applied to this factory location was VND 4,410,000/ month and the factory paid at least to workers VND 4,718,700/ month. The legal overtime premium was 150% for overtime on weekday, 200% for overtime on weekend and 300% for overtime for overtime on holiday. The factory also applied same as legal requirement if have overtime. There were 5 sample workers were chosen in Sep and Mar 2024, Dec 2023. All workers were provided social distribution as legal requirement.

Worker number information:

- Total worker number (production and management workers): 18 workers included 12 male and 6 female.
- Production worker number: 16 workers included 12 male and 4 female
- Vulnerable worker number (e.g., domestic and foreign migrant, young, women, pregnant, seasonal, temporary, disabled, home-based workers): 0
- Any other special group workers (interns, apprentices, contractor workers etc.): 0

Good practices: The factory provided meal allowance (VND 20,000/ meal/ working day) for workers.

Worker organization details: The factory had worker representative.

Circumstances: There was no special circumstance during the audit.

Summary of findings: Findings were summarized as below:

PA1: The factory had not conducted internal audit based on amfori BSCI requirement. The factory had gap in PA 1, PA 2, PA 5, PA7. In addition, the factory had not yet identified their significant business partners and their level of alignment with the amfori BSCI Code of Conduct.

PA2: The factory has established a written procedure of grievance mechanism with suggestion boxes, directly speaking to management or worker's representative. However, there was no evidence to demonstrate that it was regularly surveyed on the grievance procedure to see satisfaction among the employees.

PA5: The factory did not have a good understanding about living costs of the workforce in the region, possible gaps that exist between the actual remuneration and the fair remuneration and potential actions to fill the gaps.

PA7: The factory did conduct risk assessment, however, it was not included machine risk assessment such as air compressor and vulnerable workers such as pregnant women and new mothers, young workers and transmittable and non-transmittable diseases in the work environment and human & financial resources to ensure that the identified risks are mitigated. In addition, there was no evidence to prove that the auditee train and support members to conduct risk assessment of their operations. First aid kit at main workshop was not included sufficient 27 items as legal requirement.

Living wage calculation:

The factory had not yet calculated the living wage. The auditor used a similar calculation methodology than Anker Methodology and attached living wage calculation table in the attachment.

Remark: The factory's size and industry was not required environmental license from local authority bureau so that legal environment license was not applicable.

SITE DETAILS

Site
**AD HOME & GARDEN
FURNITURE JSC**

Site amfori ID
704-001828-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Household Durables
Sub Industry Home Furnishings		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	18	Workers
Legal minimum wage in local currency	4,410,000	Monthly
Lowest wage paid for regular work at the site	4,718,700	Monthly
Calculated living wage in local currency	56,650,000	Monthly
Total sample	5	Workers

Other Metrics

Male workers	12	Workers
Female workers	6	Workers
Non-binary workers	0	Workers
Permanent workers - Male	12	Workers
Permanent workers - Female	6	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	0	Workers
Management - Female	1	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	0	Workers
Domestic migrant workers - Female	0	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	12	Workers
Workers hired directly - Female	6	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	12	Workers
Workers under CBA - Female	6	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Minimum wage agreed on CBA in local currency	4,718,700	Monthly
Sample - Male	3	Workers
Sample - Female	2	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: AD HOME & GARDEN FURNITURE JSC | Site amfori ID: 704-001828-001

Question: 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on satisfactory evidence, it was noted that the facility did not have an effective system completely to implement the amfori BSCI Code of Conduct. The facility established written policies and procedures according to amfori BSCI Code of Conduct. However, the practice in place was not aligned with the amfori BSCI code of conduct. Please referred to PA 1, PA 2, PA 5, PA 7. This violated amfori BSCI Performance Area 1.1. Intenal audit was not conducted to detect the gap of social compliance system This violated clause 1.1 of amfori BSCI Performance Area	Hệ thống tuân thủ TNXH của công ty chưa hiệu quả. Công ty đã xây dựng chính sách và quy trình về tuân thủ. Tuy nhiên, thực hành của Công ty chưa tuân thủ hoàn toàn yêu cầu của Amfori BSCI. Ghi nhận chưa đánh giá nội bộ hàng năm.

Question: 1.3 Is there satisfactory evidence that the auditee has identified their significant business partners and their level of alignment with the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on satisfactory evidence, it was noted that the factory had not yet identified their significant business partners and their level of alignment with the amfori BSCI Code of Conduct. This violated amfori BSCI performance area 1.3	Ghi nhận nhà máy chưa xác nhận đối tác kinh doanh quan trọng và mức độ phù hợp của họ với Bộ quy tắc ứng xử amfori BSCI



PA 2: Workers Involvement and Protection

Site: AD HOME & GARDEN FURNITURE JSC | Site amfori ID: 704-001828-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on satisfactory evidence, the main auditee does not respect the following principle because	Ghi nhận nhà máy chưa lập kế hoạch dài hạn nhằm bảo vệ người lao động dựa theo tiêu chuẩn

Finding	
the factory had not defined the long term goals to protect workers according to the amfori BSCI Code of Conducts.This violated amfori BSCI Performance Area 2.2	amfori BSCI.

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on satisfactory evidence, the main auditee does not fully respect the following principle because the auditee has established a written procedure of grievance mechanism with suggestion boxes, directly speaking to management or worker's representative. However, there was no evidence to demonstrate that it was regularly surveyed on the grievance procedure to see satisfaction among the employees. This violated amforiBSCI Performance Area 2.5	Ghi nhận nhà máy chưa đánh giá tính hiệu quả của các kênh khiếu nại, khiếu kiện trong nhà máy.

PA 5: Fair Remuneration

Site: AD HOME & GARDEN FURNITURE JSC | Site amfori ID: 704-001828-001

Question: 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?

ENGLISH	LOCAL LANGUAGE
Finding	
Based on satisfactory evidence, the main auditee does not respect the following principle because the auditee did not have a good understanding about living costs of the workforce in the region, possible gaps that exist between the actual remuneration and the fair remuneration and potential actions to fill the gaps. This violated amfori BSCI performance area 5.4.	Ghi nhận nhà máy chưa hiểu rõ mức lương đủ sống từ đó phân tích được sự khác nhau giữa mức lương đang trả và mức lương đủ sống, từ đó có những kế hoạch nhằm điều chỉnh mức lương của nhà máy.

PA 7: Occupational Health and Safety

Site: AD HOME & GARDEN FURNITURE JSC | Site amfori ID: 704-001828-001

Question: 7.3 Is there satisfactory evidence that the auditee set up an effective management system that ensures they regularly carry out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>It was noted that the facility did conduct risk assessment, however, it was not included machine risk assessment such as air compressor and vulnerable workers such as pregnant women and new mothers, young workers and transmittable and non-transmittable diseases in the work environment and human & financial resources to ensure that the identified risks are mitigated. In addition, there was no evidence to prove that the auditee train and support members to conduct risk assessment of their operations.</p> <p>This was violated Amfori BSCI Performance Area 7.3.</p>	<p>Ghi nhận đánh giá rủi ro thiếu nội dung về máy móc, đối tượng dễ bị tổn thương như phụ nữ mang thai và cho con bú, lao động trẻ, bệnh lây nhiễm hoặc không lây nhiễm, nguồn nhân lực và tài chính để giảm thiểu rủi ro. Ngoài ra, chưa có bằng chứng chứng minh nhà máy đào tạo và hỗ trợ các thành viên thực hiện đánh giá rủi ro trong hoạt động của họ.</p>

Question: 7.16 Is there satisfactory evidence that the auditee ensures evacuations plans meet legal requirements and that these plans are posted in relevant places so workers can see and understand them?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Based on satisfactory evidence, the main auditee does not fully respect the following principle because 1 out of 2 evacuation plans at main workshop was not matched with actual layout direction.</p> <p>It was violated Amfori BSCI Performance Area 7.16 and Circular 149/2020/BCA, Art. 5.</p>	<p>Ghi nhận 1/2 sơ đồ thoát hiểm khu vực xưởng sản xuất chính bị sai hướng</p>

Question: 7.18 CRUCIAL: Is there satisfactory evidence that the auditee ensures qualified first-aid is available at all times?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>It was noted that 1 out of 2 observed first aid kit at main workshop was not included sufficient 27 items as legal requirement. The missing items were: Arm splints (pairs), Forearm splints (pairs), Thigh splints (pairs). The finding was noted during site tour and factory management interview. The factory also establish the policy and procedure for health and</p>	<p>Ghi nhận 1/2 tủ sơ cấp cứu tại xưởng sản xuất chính thiếu dụng cụ.</p>

Finding

safety issue. In addition, Ms. Le Thi Thanh Tam– Admin Manager has been assigned to be responsible for implementation all the health and safety policies and maintained system complied with legal law. Due to the lacking of monitoring, this finding was raised as: “Partially”. The factory management accepted this finding and will correct this issue soon.

This was violated amfori BSCI Performance Area 7.18 and Decree No. 136/2020/ND-CP dated on November 24, 2020, Article 5.