DBID: 17232 and Audit Id: 134587 Audit Type: Full Audit Audit Date : 27/09/2018



Auditee :	Alpilao International Co., Ltd.
Audit Date From :	27/09/2018
Audit Date To :	28/09/2018
Expiry Date of the Audit :	Please refer to the producer profile in the amfori BSCI platform
Auditing Company :	Intertek
Auditor's Name(s) :	Khwanchanok Meekaew(Lead), Wimolthinee Wongchachom
Auditing Branch (if applicable) :	Intertek - Thailand



This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.

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Rating Definitions A combination of ratings per Rating Consequence Performance Area where: Minimum 7 Performance Areas rated A The auditee has the level of maturity . No Performance Areas rated C. D or E. to maintain its These are three examples: improvement process A A A A A A A A A A A A without the need for a Very Good AAAAAAAABBBB follow-up audit. AAAAAABBBBBB . Maximum 3 Performance Areas rated C The auditee has the level of maturity . No Performance Areas rated D or E to maintain its В These are three examples: improvement process A A A A A B B B B B B without the need for a Good follow-up audit. AAABBBBBBC B B B B B B B B C C C The auditee needs · Maximum 2 Performance Areas rated D follow up to support its No Performance Areas rated E progress. Following the These are three examples: C completion of the audit, the auditee develops Acceptable a Remediation Plan В В В AB within 60 days. C C C C C C C C C C D D . Maximum 6 Performance Areas rated E. The auditee needs follow up to support its These are three examples: D progress, Following the AAAAAA completion of the audit, BBBC Insufficient the auditee develops a Remediation Plan DDDDDDEEEE within 60 days. amfori BSCI · Minimum 7 Performance Areas rated E Participants shall These are three examples closely oversee the Е auditee's progress as the producer may Unacceptable represent a higher risk than other business partners. A Zero Tolerance issue was identified (see Immediate actions are amfori BSCI System Manual Part V — Annex required. The amfori 5: amfori BSCI Zero Tolerance Protocol) **BSCI Zero Tolerance** Zero Tolerance Protocol is to be followed.



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Main Auditee Information



Name of producer :	Ilpilao International Co., Ltd.										
DBID number :	7232										
Audit ID :	134587	4587									
Address :	Ban Nongtha-Neau, Chanthaboury District	n Nongtha-Neau, Chanthaboury District Vientiane									
Province :	Kampheng Nakhon Viangchan	Campheng Nakhon Viangchan Country: Laos									
Management Representative :	Ms. Sobhabhan Thongkomol										
Contact person:	Ms. Sobhabhan Thongkomol	Sector :	Non-Food								
Industry Type :	Textiles, clothing, leather	Product group :	Apparel								
Product Type :	Apparel										



DBID: 17232 and Audit Id: 134587

Audit Date: 27/09/2018

Audit Type : Full Audit



Audit Details							
Audit Range :	⊠ Full Audit	Follow-up Audit					
Audit Scope :		☐ Main Auditee & Far	ms				
Audit Environment :		Agricultural Small Producer					
Audit Announcement :	☐ Fully-Announced	☐ Fully-Unannounced					
Random Unannounced Check (RUC) :	No						
Audit extent (if applicable) :	none						
Audit interferences or contingencies (if applicable) :	none						
Overall rating :	Α						
Need of follow-up :		If YES, by :					
Rating per Performance Area (PA)							
PA 1 PA 2 PA 3 PA 4 PA 5	5 PA 6 PA 7	PA 8 PA 9	PA 10	PA 11	PA 12	PA 13	
A A A A	A	A A	A	Α	Α	A	

Executive summary of audit report

ALPILAO International Company Limited is located in Vientiane, Lao P.D.R. This is a private company. The total land area occupied by the facility is about 16,694 square meters and production area is about 7,440 square meters. They have started their operations at the existing location since 1991. The owner nationality is Italian.

In the view of the facility, the company consists of three (3) buildings follow as;

- One 1-storey building with one mezzanine floor for office, medical room, meeting room, and production area
- One 1-storey building for fabric warehouse, and finished goods warehouse
- One 1-storey building for dormitory, canteen and kitchen

A total of 739 employees including 92 male employees and 647 female employees are currently working in the facility. The ages ranged from 18-60 years old. There is 509 production employees and 230 non-production employees. All employees are hired by the facility, except security guards.

The main product manufactured by the facility are garment. The main production processes are listed as follows: Cutting, Sewing, Finishing, Inspection, and Packing. The production capacity is 16,000-17,000 pieces per month.

The employees work for 6 days a week in one shift. The normal working hour/day from Monday to Saturday is from 8:00am to 5:00pm with and hour break from 12:00pm to 1:00pm for lunch. Sunday is provided as weekly day-off. Fingerprint scanning System is used for time keeping of all employees. Employees' wages are calculated on a daily-rated basis and paid monthly. Peak season specified in April to August.

Audit Process

This full audit was conducted by Intertek Testing Services. A team of 2 auditors assessed / verified the facility's operations against the BSCI Code and local legislations on a sampling basis in two (2) days.

Overview of opening meeting, and facility management responses

At 8:00am, auditors entered the facility then held an opening meeting according to the BSCI Program, the facility management Ms. Sobhabhan Thongkomol/ Group Corporate Compliance Manager and her team were present in the meeting. They stated that they would be co-operative with this audit

31 records in each month of September 2018 (current month), August 2018 (peak month), and December 2017 (non-peak month) were reviewed in this audit. 31 employees were interviewed, including 8 males and 23 females.

Attitude of employees: The employees have positive attitude with the facility. No negative information was raised. They are satisfied with the working condition, welfare, and benefits.

Attitude of managers: The facility management showed a positive attitude to this audit during the whole process. All documentation requested for the review was provided timely. Locked areas encountered during the audit were unlocked timely. At the end of the audit, all the findings were accepted by the facility management.

Overall Findings

No non-compliances were found in this audit. The main auditee fulfils the requirement of these performance areas as below;

Performance area 1: Social Management System and Cascade Effect

The facility establishes Ethical Code of Conduct which is contained business integrity, non-bribery, anti-corruption, no child labor, no forced labor, non-abused / harassment, non-discrimination, freedom of association, wage and benefit, health and safety, environment and compliance with law and regulation and endorsed by top management. BSCI committee was established and led by Ms. Sobhabhan Thongkomol / Group Corporate Compliance Manager on June 1, 2015. She is responsible for implementation and ensuring the compliance with BSCI Code of Conduct and legal requirement. The facility conducted internal audit based on BSCI Code of Conduct and legal requirement and management review once a year. Latest internal audit and latest management review was performed on September 10, 2018. The facility communicates Ethical Code of Conduct to all suppliers and business partner upon started the business through email. The assessment or monitoring is conducted for all four (4) supply chains to ensure the alignment with BSCI Code of Conduct in September 2018. The subcontracting/supplier evaluation is arranged to select the supplier/subcontracting based on the performance of social system to ensure the alignment with BSCI Code of Conduct.



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Performance area 2: Workers Involvement and Protection

The facility establishes Worker Representative Committee by employee's election on June 1, 2017. There are 42 members acting as committee. There are suggestion boxes provided to employees in order to raise their concerns or suggests any issue to the management. Latest meeting is held on September 25, 2018.

Performance area 3: The rights of Freedom of Association and Collective Bargaining

The facility respects right of the employees to establish or join any legal association. The representative of Workplace Coordinating Committee confirmed they perform their duties without pressure and free from coercion or restriction. Labor union involvement is not used as a condition of employment.

Performance area 4: No Discrimination

The facility establishes prohibition of discrimination policy without issue date. The facility respected and treated all employees equally and received wage at fair and appropriate rate in accordance with each employee's qualification. All employees are equally treated without conditions of personal characteristics, gender, age, disability, sexual orientation, cultural or religious beliefs of similar factors. Based on employee interview, they were treated equally and received wages at fair and appropriate rate in accordance with each employee's qualifications and work experience. No pregnancy test was required and used as the condition of employment. The anti-Harassment and Abuse Policy has been established also. The facility commits to prohibit all forms of harassment and abuse behaviour including race, sex, sexual orientation, age, disability, bullying generally.

Performance area 5: Fair Remuneration

The facility paid wage to employees of not less than the legal minimum wage of LAK 1,100,000 per month. Overtime wage was compensated 150% of basic wage per hour for normal working days. Wage was paid to employees on-time without delay. Direct employees entitled all legally mandated benefits such as sick leave, annual leave and traditional holiday accurately. The facility contributed 6% as part of the employer's portion (6%) and employee's portion (5.5%) in order to submit to Social Security Fund. There was no illegal deduction observed. Payslip was provided to employees for each payment period.

Performance Area 6: Decent Working Hours

The facility limited the regular working hours at 48 hours per week and controlled overtime working hours within the legal requirement and waiver. Employees were provided with one day off every seven day periods. Employees had adequate provided with one hour break.

Performance area 7: Occupational Health and Safety

The facility assigned Mr. Ittidej / Safety Committee Chairman to be responsible for Health and Safety. Safety manual was established. There was safety committee established by employee's election on June 26, 2018. There were 22 members acting as committee. Health and safety policy was established without issue date. The working environment condition concerning light, heat, noise, dust and chemical was inspected once year. Latest inspection was conducted by Ministry of Industry in September 2018. Fire drill training was arranged on May 12, 2018 for 801 employees at that time. The basic firefighting technique training was arranged by Fire Prevention and Protection Police Department on May 12, 2018 for all employees also. Plan for protection and prevention of fire had been established. The facility had provided with 55 portable fire extinguishers, 36 emergency lights, and 6 manual fire alarms. The electrical cords, tools and equipment were inspected by technician on daily basis. The facility provides both transportation and dormitory with risk assessment to the employees.

Performance area 8: No Child Labour

The facility does not use / employe employee under the minimum age of 16 years old. The minimum hiring age policy of facility is 18 years old. Child remediation procedure is established in place. Based on facility tour and personnel file review, all employees are above the age required by local law. There is neither child labor nor suspected young employee found. Child labor policy & Remediation procedure has been established in place.

Performance area 9: Special protection for young workers

Young worker policy has been established in the facility. All employees are above the age required by local law. The hiring age policy of the facility is 18 years old and above. During the facility tour, there is no any employee looked like a young employee observed. Based on the employee interview, they confirmed that there is no employee whose age was less than 18 years old working in the facility. The youngest employee found is 18 years old. The copies of age documents such as national identification card and house registration are kept in each personnel file.

Performance area 10: No Precarious Employment

Employees were informed on terms and conditions through employment contract and signed by employer, employee prior employment. The employment contract was mentioned the information of starting date, wages rate, position and general work rules. The contents were found to be complied with legal requirement.

Performance area 11: No Bonded Labour

The facility does not support the use of forced labor in any forms including debt bondage or indentured labor and involuntary prison labor. The employment contract has not indicated any content of deduction on bond or debt. Employees are working in the facility voluntary. The facility does not withhold original identification document such as identification card and house registration. The facility does not require them to pay for any deposit, application fee, employment fee, deposit or guarantee by person.

Performance area 12: Protection of the Environment

Environment policy was established without issue date. The facility established waste management contract with government to dispose all wastes since September 9, 2014. Waste was disposed by collectors once a month. There is no Air emission, and wastewater discharged from production process.

Performance area 13: Ethical Business Behavior

The facility has established anti-corruption and anti-bribery policies through Ethical Code of Conduct. The facility communicated its policies to employees, suppliers and subcontractor through training, posting on board and email. Latest Ethical Code of Conduct training was arranged for all employees on May 10, 2018.



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Ratings Summary



Auditee's background information										
Auditee's name :	Alpilao International Co., Ltd.	Legal status :	Company Limited							
Local Name :		Year in which the auditee was founded :	1991							
Address :	Ban Nongtha-Neau, Chanthaboury District	Contact person (please select) :	Ms. Sobhabhan Thongkomol							
Province :	Kampheng Nakhon Viangchan	Contact's Email :	jib.csr@redalpi.com							
City:	Vientiane	Auditee's official language(s) for written communications :	Laotian							
Region :	South East Asia	Other relevant languages for the auditee :	English, and Thai							
Country:	Laos	Website of auditee (if applicable):	www.redalpi.com							
GPS coordinates :	18.010776, 102.614800	Total turnover (in Euros) :	12870000.00							
Sector :	Non-Food	Of which exports % :	100.00							
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00							
If other, please specify :		Production volume :	16,000-17,000 pieces per month							
Product Group :	Apparel	Production cost calculation :	Yes							
If other, please specify :		Lost time injury calculation cost :	Yes							
Product Type :	Apparel									

Auditee's employment structure at the time of the audit									
Total number of workers : 739 Total number of workers in the production unit to be monitored (if applicable) :									
		MALE WORKERS FEMALE WOR							
Permanent workers		92	647						
Temporary workers		0	0						
In management positions		5	0						
Apprentices		0	0						
On probation		2	17						
With disabilities		0	0						
Migrants (national citizens)		0	0						
Migrants (foreign citizens)		8	2						
Workers on the permanent payroll		92	647						
Production based workers		36	473						
With shifts at night		3	0						
Unionised		0	0						
Pregnant		-	19						
On maternity leave		-	0						



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Finding Report



2b	₩
Performance Area 1 : Social Management System and Cascade Effect	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A Deadline	date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	
Performance Area 2 : Workers Involvement and Protection	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A Deadline	date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	
Performance Area 3 : The rights of Freedom of Association and Collective Bargaining	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A Deadline	date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	
Performance Area 4 : No Discrimination	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A Deadline	date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	



Remarks from Auditee:





Performance Area 5 : Fair Remuneration

Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A

Deadline date:

GOOD PRACTICES:

The main auditee exceeds expectations with respect to this principle because benefits beyond legal requirement providing such as attendance bonus LAK 50,000-200,000 per month, house rental allowance LAK 100,000 per month, wedding gift LAK 200,000-500,000 per time, meal allowance LAK 6,000 per working day, free dormitory, lift insurance LAK 500,000-2,000,000, co-worker suggestion allowance LAK 200,000 per employees, and free transportation.

AREAS OF IMPROVEMENT:

None observed

ไม่พบประเด็นความไม่สอดคล้อง

Remarks from Auditee:

Performance Area 6: Decent Working Hours

Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A

Deadline date:

GOOD PRACTICES:

None observed

AREAS OF IMPROVEMENT:

None observed

ไม่พบประเด็นความไม่สอดคล้อง

Remarks from Auditee:

Performance Area 7: Occupational Health and Safety

Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A

Deadline date:

GOOD PRACTICES:

None observed

AREAS OF IMPROVEMENT:

None observed

ไม่พบประเด็นความไม่สอดคล้อง

Remarks from Auditee:

Performance Area 8: No Child Labour

Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A

Deadline date:

GOOD PRACTICES:

None observed

AREAS OF IMPROVEMENT:

None observed

ไม่พบประเด็นความไม่สอดคล้อง

Remarks from Auditee:



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Performance Area 9 : Special protection for young workers	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A	Deadline date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	
Performance Area 10 : No Precarious Employment	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A	Deadline date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	
Performance Area 11 : No Bonded Labour	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A	Deadline date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	
Performance Area 12 : Protection of the Environment	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A	Deadline date
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	



DBID: 17232 and Audit Id: 134587 Audit Type: Full Audit Audit Date : 27/09/2018



Performance Area 13 : Ethical Business Behaviour	
Full Audit [Audit Id - 134587] Audit Date: 27/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES: None observed	
AREAS OF IMPROVEMENT: None observed	
ไม่พบประเด็นความไม่สอดคล้อง	
Remarks from Auditee:	



DBID: 17232 and Audit Id: 134587 Audit Type: Full Audit Audit Date : 27/09/2018



Summary



Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Full Audit	27/09/2018	134587	A	Α	A	A	A	A	A	A	A	A	Α	A	Α	А





Producer Photos





















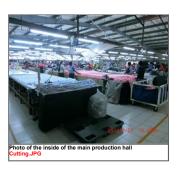












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Audit Date : 27/09/2018





























