




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1088155	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 407599256
Business name (Company name):	Morriss Horological Limited		
Site name:	Morriss Horological Limited		
Site address: <i>(Please include full address)</i>	3/F Kwong Tai Factory Building, 750, Cheung Sha Wan Road, Kowloon, Hong Kong	Country:	China
Site contact and job title:	Jacy Lam / Operation Manager		
Site phone:	+852 2741 6699	Site e-mail:	support@premism-watch.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	13 th Aug 2019		

Audit Company Name & Logo: SGS Hong Kong Limited 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Morriss Horological Limited
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 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.

Any exceptions to this must be recorded here (e.g. different sample size): Nil

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Lai Ming Chi, Dave	APSCA number: RA21702828
Lead auditor APSCA status: In Good Standing	
Team auditor: N/A	APSCA number: N/A
Interviewers: Lai Ming Chi, Dave	APSCA number: RA21702828
Witnesses Auditor: Cherry Liu	APSCA number: RA21701581

Report writer: Lai Ming Chi, Dave

Report reviewer: Cherry Liu

Date of declaration: 13 Aug 2019

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.

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				• Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil
2 Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil
3 Safety and Hygienic Conditions	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil
4 Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil
5 Living Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil
6 Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil
7 Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• Nil

8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				• Nil
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• Not applicable
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• Not applicable

General observations and summary of the site:

- The products manufactured at this site are Quartz Analogue Watches
- Overall responsibility for meeting the standards is taken by the Operation Manager, Ms. Jacy Lam.
- There are a total of 12 workers on site (all are permanent and local workers).
- The youngest worker on site was 24 years old.
- There is worker representative committee at this facility.
- There is evidence of both male and female in management and among supervisor. The distribution was Male 20%, Female 80%.
- Site has no obvious peak season in the previous 12 months (Sep 2018 – Aug 2019) and worker seldom work overtime. The maximum of workers' overtime is 0.5 hour for a day and 1 hour for a month.
- The facility does not sub-contract to others in production.
- No agency workers and all are permanent workers.

- 10 workers were selected for interview including 1 male and 9 female employees, they were interviewed as 1 group of 4 single sex group and the balance of 6 workers were interviewed individually.
- 10 records to show wages and hours were taken for 3 months from the period Aug 2018 – Jul 2019
- Standard working hours on site were 40 hours per week with 2 day off in every 7–day–period.
- All workers are paid above the legal minimum wage.
- Overtime working in sample was
 - 0 to 1 hour per month
- The facility has an internal management system which includes its own internal audits performed by the compliance team.
- The employment hand book is available for workers.
- All chemical used are marked to show their hazard.
- Workers could freely contact the management staff with any queries.
- Workers are free to leave after work.

Non-compliance: Nil

OB: Nil

GE: Nil

**Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

Site Details

Site Details								
A: Company Name:	Morriss Horological Limited							
B: Site name:	Morriss Horological Limited							
C: GPS location: (If available)	GPS Address: Kwong Tai Factory Building, 750 Cheung Sha Wan Road, Kowloon, Hong Kong	Latitude: 114 ° 9'4"E Longitude: 22°20'18"N						
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License number 32059233-000-07-19-1. Valid from 25 July 2019 to 24 July 2020							
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Quartz Analogue Watch							
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Morriss Horological Limited. is located at 3/F Kwong Tai Factory Building, 750 Cheung Sha Wan Road, Kowloon, Hong Kong. The facility has operated in the existing location since 2018. A total of 22 employees are currently working in the facility, which includes 11 production employees and 11 non-production employees. All employees are hired by the facility directly.</p> <p>The employees work for 5 days a week in one shift. The normal working hour for production workers is from 9:00 to 18:00. The normal working hour for non-production workers is from 9:30 to 18:30. Both include 1-hour lunch break. Overtime work started after the normal working hours.</p> <p>Employees' wages are calculated on monthly basis and paid on or before the 7th of each month. No obvious peak season in this facility.</p> <p>With regards to the facility, the factory only occupies 1 floor in a 9-storey building, which includes office, production area and warehouse. No dormitory or canteen is provided to workers. There is a pantry provided but cooking of dishes is allowed.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 3 of the production building</td> <td>Office, material warehouse, production line, pantry</td> <td>Nil</td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	Floor 3 of the production building	Office, material warehouse, production line, pantry	Nil
Production Building no	Description	Remark, if any						
Floor 3 of the production building	Office, material warehouse, production line, pantry	Nil						

	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Is this a shared building?</td> <td style="width: 25%; padding: 5px;">Yes</td> <td style="width: 25%; padding: 5px;">Nil</td> </tr> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: No Visible structural integrity issues (large cracks) is observed</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: No and it is the liability by owner.</p>	Is this a shared building?	Yes	Nil
Is this a shared building?	Yes	Nil		
<p>G: Site function:</p>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor			
<p>H: Month(s) of peak season: (if applicable)</p>	<p>No obvious peak season</p>			
<p>I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p>	<p>Assemble → Quality Control process → Packing</p> <p>The products manufactured in this unit are Quartz Analogue Watches</p> <p>The main production processes include silk printing and assembling</p> <p>There are 2 silk printing machines and 1 water proof tester.</p>			
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
<p>K: Is there any night production work at the site?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>L1: If yes, approx. % of workers in on site accommodation</p>			
<p>M: Are there any off site provided</p>	<input type="checkbox"/> Yes			

worker accommodation buildings	<input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details Not applicable

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:30 A2: Day 1 Time out: 17:30	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	1 auditor X 1 day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not: N/A		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause: N/A		
G: Who signed and agreed CAPR (Name and job title)	Jacy Lam/ Operation Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A					
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There is no union at this factory					

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	1	0	0	0	0	0	0	1
Worker numbers – female	11	0	0	0	0	0	0	11
Total	12	0	0	0	0	0	0	12
Number of Workers interviewed – male	1	0	0	0	0	0	0	1
Number of Workers interviewed – female	9	0	0	0	0	0	0	9
Total – interviewed sample size	10	0	0	0	0	0	0	10



A: Nationality of Management	Chinese	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: <u>Chinese</u></p>	<p>Was the list completed during peak season?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 <u>100%</u>	
D: Worker remuneration <i>(management information)</i>	<p>D: <u>0</u>% workers on piece rate D1: <u>0</u>% hourly paid workers D2: <u>100</u>% salaried workers</p> <p>Payment cycle: D3: <u>0</u>% daily paid D4: <u>0</u>% weekly paid D5: <u>100</u>% monthly paid D6: <u>0</u>% other D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 groups of 4 workers (4 female in total)
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 1 D2: Female: 5
E: 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. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	All workers interviewed had a positive attitude to management and site
I: What did the workers like the most about working at this site?	Working environment
J: Any additional comment(s) regarding interviews:	Workers enjoyed working at this facility, they felt they had sufficient work and had a good relationship with management in general.
K: Attitude of workers to hours worked:	Workers do not have negative feeling in working hours. They can reject overtime with their own will.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	

M: Attitude of workers:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

10 workers were selected for interview including 1 male and 9 female employees; they were interviewed as 1 group of 4 single sex and the balance of 6 workers were interviewed individually.

The workers were assured of confidentiality and they spoke freely of their views of the facility. All workers said they were satisfied with their employment at the facility.

All workers said they were satisfied with the current wages which in their view were in line with wages in the locality. They could feel free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

They were able to make suggestions to their supervisors, team leaders or through suggestion box and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors.

N: Attitude of worker's committee/union reps:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

No union is available in the facility but a worker's committee is in place.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The facility management had a system in place to check their current practices against their clients' requirements and the local law.

The management showed a cooperative attitude to the audit. They allow auditors to tour all the facility areas, take photos, copy related documents and conduct worker interviews.

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current systems:

- The facility has a policy, endorsed at the highest level, covering human rights impacts and issues, and ensures it is communicated to all appropriate parties, including its own suppliers.
- The facility has a designated person responsible Jacy Lam for implementing standards concerning Human rights.
- The facility identifies their stakeholders and salient issues.
- The facility measures their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
- No adverse impact on human rights within their stakeholders is identified.
- The facility has a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Human right policy
- Stakeholder list, monitoring and assessment records
- Grievance procedure and records

Any other comments: Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The human right policy states the commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Jacy Lam Job title: Operation Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Workers were able to confidentially reporting, and dealing with human rights impacts through suggestion box and email without fear of reprisals towards the reporter. Anonymous reporting is supported as well.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details: Nil</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The employee hand book demonstrate the effective data privacy procedures for workers' information are available. The personnel records review, company public information review, management and worker interview show which is implemented.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: Nil</p> <p>Local law or ETI/Additional elements / customer specific requirement: Nil</p> <p>Comments: Nil</p>		<p>Objective evidence observed: Nil</p>

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Good examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Measuring Workplace Impact

Workplace Impact		
A: 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)	A1: Last year: __9.1__ %	A2: This year __8.6__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	4.5%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __1.5__ %	C2: This year __1.8__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	1.8%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The facility procedure requires to record accidents. But since there was no accident in the past year, no record was available for review	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: 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	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average	J1: 6 months	J2: 12 months

more than 60 total hours / week in the last 6 / 12 months:	___0___% workers	___0___% workers
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0B: Management system and Code Implementation
(Click here to return to summary of findings)

0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
 0.B.2 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.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
 0.B.4 Suppliers are expected to communicate this Code to all employees.
 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:

- Operation Manager is responsible for ensuring legal and client code requirements are met.
- Overall responsibility for meeting the standards is taken by the Operation Manager.
- Implementation of any necessary changes is then given to the individual department heads after agreement with the Operation Manager.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Client's code of conduct is available in the employee handbook
- A manual created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements

Any other comments: Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: Nil
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The facility has anti-forced labour procedures, anti-child labour procedures, anti-discrimination procedures and anti-harassment & abuse procedures in place.

<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Yes. The worker interview and working environment indicate that there is no forced labour, child labour, discrimination or harassment & abuse issue identified in the facility.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please give details: Managers and workers know the policy of forced labour, child labour, discrimination, harassment & abuse through the employee handbook. Currently there is no training on forced labour, child labour and discrimination, harassment & abuse.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Not applicable. No specific training, but workers show clear understanding through the forced labour, child labour, discrimination, harassment & abuse through the employee handbook.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: N/A</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Lam Mei Lai, Account, Admin & Human Resources Manager</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Jacy Lam, Operation Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Confidentiality Policy in employee handbook is in place to ensure all worker information is confidential.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Confidentiality Procedure in employee handbook is in place to ensure all worker information is confidential.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details: No risk assessment is in place, but no observed violation of policy or</p>

	procedure found during audit. Since the factory was very small, any issues could be found, reported and fixed immediately.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1 Please give details: No risk assessment is in place, but no observed violation of policy or procedure found during audit. Since the factory was very small, any issues could be found, reported and fixed immediately.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The supplier assessment checklist requires labour standards of the facility's own suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility is located in the rented building which is purpose for manufacturing.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: This was performed by the Operation Manager.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A. There was no Indigenous Population.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details: No evidence shows that the facility compensated the owner/lessor for the land prior to the facility being built or expanded.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R1: Please give details: The selected land was for industrial use for many years when facility made the acquisition.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No evidence shows there is illegal appropriation of land for facility building

	or expansion of footprint.
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Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed:</p> <p>Nil</p>

1: Freely Chosen Employment
(Click here to return to summary of findings)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- The factory has a policy which prohibits forced labour and this was available for review.
- There was an employment procedure which states that workers must present their ID's for proof of age and ID copies must be kept in the personnel files and the original given back to the workers.
- The employee handbook – given to all workers on joining, states that workers are free to leave without written notice in the first month of employment. Workers were required to have 7-day notice after 1 month from employment and within probation period. Once a worker is permanent which pass the 3-month probation, they can resign from the factory with one month's prior written notice, given to their supervisor or the HR department.
- Employment contract also stated the employment notice period as employee handbook.
- Workers were free to leave their work in their rest time, meal time and after work.
- The above was also confirmed in management and worker interview.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Personnel files (10 record checked and ID card copies is attached)
- Employment contract
- Resignation records
- Employee handbook
- Management and worker interview

Any other comments: Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected: N/A
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	B1: If yes, please give details and category of worker affected: N/A
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: N/A
E: 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'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: N/A
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: N/A
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please describe finding: There is no obvious risk of forced / trafficked labour in the facility.

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:

<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 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:

- There is no union at the site.
- The worker representative member was chosen by fellow workers.
- Worker representative committee meeting minute is available.
- Worker interview confirmed that the safety committee is mainly for safety issue and workers can raise out other issues to the worker representative committee.
- Management stated that the facility do not restricted workers from joining or forming the union.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Site policy on freedom of association
- Interview with workers
- Interview with worker representative committee members
- Interview with managers

Any other comments: Nil

A: What form of worker representation/union is there on site?

- Union (name)
- Worker Committee
- Other (specify)

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Workers can report any issue through the worker representative. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A E1: Please give details: N/A	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committees	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	I1: Date of last election: 7 July 2019
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If Yes , please state how many: 2 worker representatives are being interviewed	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	N/A	
M: Are any workers covered by Collective Bargaining Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

(CBA)?		
If Yes , what percentage by trade Union/worker representation	M1: ___% workers covered by Union CBA N/A, there is no CBA in place	M2: ___% workers covered by worker rep CBA N/A, there is no CBA in place
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A, there is no CBA in place	

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>
Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Nil</p>

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

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

- Potable water was freely available in all areas.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- Ventilation, temperature and lighting were adequate for the production processes.

2. Fire Safety

- There were at least 2 exits from each work area and these were clearly marked.
- Fire fighting equipment was adequate and checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all workers interviewed.
- Fire drills were organised and recorded once per year for all areas and different shifts.

3. Electrical safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.

4. Chemical safety

- All chemicals were correctly labelled.
- Material Safety Data Sheets were available.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 10 first aiders and the first aider certification copies are valid.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Health and safety policy
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Trained first aider register

- Chemical list and MSDS for each chemical
- Interviews with safety responsible person
- Interviews with workers

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The health and safety policies and procedures established in the facility are fit for purpose and communicated to workers.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The health and safety policies are included in worker's manual</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: There are no structural additions without required permits/inspections.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please give details: No specific needed in the production line.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: 1 first aid kit with appropriate supplies are provided in the production areas for workers.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There is 1 qualified first aider and 1 first aid kit in the facility. Workers can have easy access to them.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transportation for workers is provided by the facility.</p>

other vehicles?	
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Not applicable, there is no accommodation provided for workers by the facility.
I: 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: Please give details: No observed H&S risk is in the facility. No long shift after driving.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The facility meets its legal obligations on environmental requirements. No permit is required by law for use and disposal of natural resources for the facility.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Not applicable, there is no specific customer requirements on environmental standards

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

<p>Good Examples observed:</p>

Description of Good Example (GE): Nil	Objective Evidence Observed: Nil
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4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 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:

- Procedure is in place for checking ages of workers at application stage, and this includes checking ID's, once workers have joined their original ID's are copied and given back to them whilst copies only are kept in their personnel file.
- Checks of all workers files showed that the youngest worker present was age 24 years old.
- There was a note on young workers in the employee handbook detailing special employment conditions which included that by law young workers.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Personnel files of all workers (see checks done for clause 1 'employment freely chosen')
- Latest list of employees
- Employee handbook

Any other comments: Nil

A: Legal age of employment:	15 Years old
B: Age of youngest worker found:	24 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
D: % of under 18's at this site (of total workers)	0 %

<p>E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A </p> <p>E1: If yes, give details Not applicable</p>
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key information\)](#)

ETI

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 local legal minimum wage was HKD 34.5 per hour from 1 May 2017
- All workers' wages were calculated by monthly rate. The minimum wage paid by the factory was HKD 9,600 per month according to the selected wage records.
- The wages office was well organised with a good controlled set of processes which are understood by all employees.
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Document review of payroll and employee wage records showed that maximum 5% from their wages is deducted for mandatory provident fund according to legal requirement.
- All mandatory provident fund payments were passed on to the relevant authorities in a timely manner.
- Benefits of paid, annual leave, was given to all workers
- All workers were paid before 7th of each month by cash and each worker was given a pay slip and signed for their wages.
- Wages have been recorded according to documents checked.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details: Nil

Any other comments: Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 48 hours per week	40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: No regulation	Maximum 0.5 hours per day, 1 hours per month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: HKD 34.5 per hour	Monthly wage and equivalent to at least HKD 55 per hour	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: No regulation	125% of normal wage	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: <i>(Click here to return to Key Information)</i>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If No , why not?	N/A		
B: Sample Size Checked <i>(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)</i>	10 samples from Jan 2019 (random) 10 samples from March 2019 (random) 10 samples from July 2019 (current)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details: N/A	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details: N/A	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> Basic wage: HKD 9,600 Overtime wage: HKD 0 Allowance and bonus: HKD 0 Gross wage: HKD 9,600 No Paid leave deduction: HKD 299.1 MPF deduction: HKD 465 Net wage: HKD 8,835.9	
F: Please indicate the breakdown of workforce per earnings:	F1: <u> 0 </u> % of workforce earning under minimum wage F2: <u> 0 </u> % of workforce earning minimum wage F3: <u> 100 </u> % of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Yearend Bonus equal to one month wages.		
H: What deductions are required by law e.g. social insurance? Please state all types:	MPF (Mandatory Provident Fund)		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. MPF (Mandatory Provident Fund)
		I2: Please list all deductions that	N/A

		have not been made.	
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Cross checking production records, wage records and attendance records, no inconsistency was found.		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: N/A		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The facility management will review the performance of each work and decide if their basic wages will be increase.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details:		
Q: How are workers paid:	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:		

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

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:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

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:

- Through employees' interview, overtime is voluntary.
- The factory provided hours and wages records from Aug 2018 to Jul 2019.
- Fingerprint system is used to record working time and IC card is a backup for workers whose fingerprint is not function
- Electronic payroll system which calculates wages
- According to time records and worker interview basic working hours were 8 hours per day and a max 40 hours per week with no more than 0.5 hours overtime per day on weekdays and no overtime on rest days.
- The maximum monthly overtime working hours in sample were 40.5 hours and records show that workers have at least 1 day off per seven days.
- Workers wage are above legal minimum wages.
- No legal requirement on over time wage which the overtime wages is at least equal to legal minimum wage.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Employee interview
- Management interview
- Local and national laws
- Factory policy on working hours
- Time cards
- Computerised time logging system
- Sample pay slips with recorded hours all workers interviewed
- Workers contracts
- 12 months hours records to establish highest and lowest hours over all employees

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer
code: Nil

Local law and/or ETI requirement: Nil

Recommended corrective action: Nil

Objective evidence observed: Nil

Observation:

Description of observation: Nil

Local law or ETI requirement: Nil

Comments: Nil

Objective evidence observed: Nil

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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Working hours' analysis	
Please include time e.g. hour/week/month (Go back to Key information)	
Systems & Processes	
A. What timekeeping systems are used: time card etc.	<i>Describe:</i> Fingerprint system is used to record working time and IC card is a backup for workers whose fingerprint is not function
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details: N/A
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If YES, please complete as appropriate: N/A
	<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other
	If "Other", Please define: N/A
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	5 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 0.5 hours per day; 1 hours per week; 1 hours per month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___4___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:
		<ul style="list-style-type: none"> • Wording of contract, employee handbook • Worker interview • Management interview
Overtime Premiums		

<p>M: Are the correct legal overtime premiums paid?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of standard wages: <i>N/A – there is no legal requirement to OT premium</i></p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: <i>All workers worked for overtime are compensated 125% of normal wage.</i></p>
<p>O: 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.</p>	<input type="checkbox"/> No <input checked="" type="checkbox"/> Consolidated pay (<i>May be standard wages above minimum legal wage, with no/low overtime premium</i>) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
	<p>There is no law requirement on overtime premium. The facility pays 125% of normal rate for overtime working conducted.</p>	
	<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p> <input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Q1: If yes, please give details: <i>N/A</i></p>	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p><i>N/A, sufficient workers are hired.</i></p>	<p><i>N/A. Sampled workers' weekly working hours did not exceed 60 hours.</i></p>

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

ETI

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:

- As informed by interviewed workers, most employees spoke highly of the factory owner.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Anti-discrimination procedure on hiring, compensation, promotion and access to training is available
- There was an internal grievance process
- There was no evidence of sexual harassment.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- The hiring and termination procedure, leave application records and employee handbook.
- Payrolls
- Attendance records
- Termination records
- Training records
- Work instruction

Any other comments: Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u> 20 </u> % A2: Female <u> 80 </u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion

union membership or political affiliation?:	<input type="checkbox"/> termination or retirement No evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation is noted.
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Professional Development

A: What type of training and development are available for workers?	No specific
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B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: N/A
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:

Description of Good Example (GE): Nil	Objective Evidence Observed: Nil
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8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current systems:

- All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditors.
- All workers received a signed labour contract.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- The hiring and termination practises
- Personal files
- Payroll records were provided for review.
- Employment handbook

Any other comments: Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: Nil</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Nil</p>
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: Nil</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected: N/A</p>

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details:
D: If any checked, give details:	N/A

Migrant Workers: <i>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</i>	
A: Type of work undertaken by migrant workers:	N/A
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A 1: If yes, number and example of roles: N/A

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details:
C: If any checked, give details:	N/A

Agency Workers (if applicable)	
<i>(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.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	<input checked="" type="checkbox"/> N/A D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A E1: Please give details:

Contractors: <i>Note: 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,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A C1: Please describe finding:
D: If Yes , please give evidence for contractor workers being paid per law:	N/A

8A: Sub-Contracting and Homeworking

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Note to auditor on homeworking:

Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

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:

- There were no outside processes and the facility do not worked with sub-contractors.
- There was no homeworking in the factory.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

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

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code: Nil

Objective evidence observed: Nil

Local law and/or ETI /Additional Elements requirement: Nil

Recommended corrective action: Nil

Observation:	
Description of observation: Nil Local law or ETI/Additional elements requirement: Nil Comments: Nil	Objective evidence observed: Nil

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:

<p>C: Are homeworkers employed direct or through agents?</p>	<p><input type="checkbox"/> Directly <input type="checkbox"/> Through Agents</p>	<p>C1: If through agents, number of agents:</p>
<p>D: Is there a site policy on homeworking?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>E: How does the site ensure worker hours and pay meet local laws for homeworkers?</p>		
<p>F: What processes are carried out by homeworkers?</p>		
<p>G: Do any contracts exist for homeworkers?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details:</p>	
<p>H: Are full records of homeworkers available at the site?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

ETI

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.
 Additional elements:
 9.2 companies should provide access to a confidential grievance mechanism for all workers

<p>A: 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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Workers can report to their direct supervisor and 3rd party can report through email.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Yes, as worker interview, workers represented they are aware of the channels and could have free access.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Workers can report to their direct supervisor</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Workers represented they are aware of the channels and could have free access.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A</p>
<p>F: 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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details N/A</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

<p>Current Systems and Evidence Examined</p> <p><i>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.</i></p>
<p>Current systems:</p> <ul style="list-style-type: none"> • According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site. Worker interview confirmed that workers were aware of the disciplinary procedure • There is an internal process for grievance, where workers can report any grievances (harassment, bullying, discrimination.), any received complaint will be handled by management, without any reprisal for the worker in question <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Details:</p> <ul style="list-style-type: none"> • Internal grievance procedure • Training records • Employment handbook <p>Any other comments: Nil</p>

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p>	<p>Objective evidence observed: Nil</p>
<p>Local law and/or ETI requirement: Nil</p>	
<p>Recommended corrective action: Nil</p>	

Observation:	
<p>Description of observation: Nil</p>	<p>Objective evidence observed: Nil</p>
<p>Local law or ETI requirement: Nil</p>	
<p>Comments: Nil</p>	

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

10. Other Issue areas: 10A: Entitlement to Work and Immigration

(Click here to return to NC-table)

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A.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 local workers. All workers had the proper legal rights to work in this region.
- The youngest age was 24 years old.
- 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.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Hiring procedure
- Personnel files
- Employee handbook

Any other comments: Nil

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p>
<p>Local law and/or ETI /Additional Elements requirement: Nil</p>	<p>Nil</p>
<p>Recommended corrective action: Nil</p>	

Observation:	
<p>Description of observation: Nil Local law or ETI/Additional Elements requirement: Nil Comments: Nil</p>	<p>Objective evidence observed: Nil</p>

Good examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Nil</p>

10. Other issue areas 10B2: Environment 2–Pillar

[\(Click here to return to summary of findings\)](#)

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.

Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

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 is not required legal environmental documents as it does not have industrial waste water discharged and air emission.
- The factory only has assembly line where no industrial waste are generated.
- No specific customer requirement on environment.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Management interview

Worker interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:	<input type="checkbox"/> NC against ETI/Additional Elements	<input type="checkbox"/> NC against Local Law	Objective evidence observed: Nil
Local law and/or ETI/Additional Elements requirement: Nil			
Recommended corrective action: Nil			

Observation:	
Description of observation: Nil	Objective evidence observed: Nil
Local law or ETI/additional elements requirement: Nil	
Comments: Nil	

Good examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Nil

Other findings

Other Findings Outside the Scope of the Code
Nil

Community Benefits
<i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
Nil

Appendix 1







Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."










Not Applicable please x


Photo Form

Adding Images To help keep the size of the Report as small as possible for ease of sending and saving the document we recommend that you use Microsoft Paint to resize your photos. To do so please follow these instructions:

- 1) To start Microsoft Paint, click 'Start', 'Programs', 'Accessories', then 'Paint'.
- 2) Open the image file you wish to edit.
- 3) Click the 'Image' Menu at the top and select "Stretch/Skew Image".
- 4) Choose a percentage figure to resize the image: to avoid distortion, choose the same percentage for horizontal and vertical stretch. Click OK.
- 5) Once you have the desired size, click File > Save As... (To prevent overwriting the original image).
Save As jpeg (this provides compression to make the file smaller).
- 6) Please delete this text once complete.

		
<p>Factory gate</p>	<p>Factory name</p>	<p>Silk printing and lacer process</p>
		
<p>Assembly and QC process</p>	<p>Warehouse</p>	<p>Pantry</p>

		
<p>Exit sign</p>	<p>Emergency light</p>	<p>Fire hose and fire alarm</p>
		
<p>Fire extinguisher</p>	<p>Evacuation map posted</p>	<p>Worker in contact with hazardous chemical wearing PPE</p>
		
<p>Chemical with secondary containment and safety label posted</p>	<p>First aid kit</p>	<p>Washroom</p>

	<p><i>The End</i></p>	
<p>Drinking water facility</p>		



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

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